



Daily Report

East Asia

FBIS-EAS-93-130
Friday
9 July 1993

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Asian Nations Urged To Resolve Spratlys Dispute

*OW0707145993 Tokyo KYODO in English 1321 GMT
7 Jul 93*

[Text] Singapore, July 7 KYODO—Japan and other parts of Asia should help to resolve the territorial dispute over the Spratly Islands but without U.N. involvement, senior officials and academics said Wednesday after a two-day forum on the United Nations.

The delegates urged countries like Japan, Singapore, Laos and Indonesia to take part in confidence-building measures on the Spratlys, a group of small islands in the South China Sea that are claimed by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

"The general sentiment is that all the countries at the forum want the United Nations to be aware of this problem but they still don't want direct involvement by the U.N.," said Theera Nuchpiam, a Thai academic.

The forum was the second of three workshops held since March to explore ways for greater cooperation between the U.N. and the Association of Southeast Asian Nations (ASEAN) for peace and preventive diplomacy. Most delegates were senior officials from Foreign Ministries of the six ASEAN countries, and Japan, China, South Korea, Australia, New Zealand, the United States, Vietnam, Laos and Myanmar [Burma]. Some delegates proposed inviting the U.N. secretary general to attend ASEAN foreign ministerial conferences in future. "The basic idea is (that) when you try to increase cooperation between ASEAN and the U.N. you have to bring in the top players," said Werner Pfennig, a political scientist from Germany.

Thailand To Lead Cambodia Talk at ASEAN Workshop

*BK0607011793 Bangkok THE NATION in English
6 Jul 93 p A2*

[Text] A second workshop on United Nations and Asean cooperation in maintaining peace and security in the region will be held this week in Singapore.

The Foreign Ministry's director general of the American and South Pacific Affairs Department, Sarasin Wiraphon, said the workshop, tomorrow and Wednesday, will focus on specific issues including the UN's role in Cambodia, competition for national resources and territorial and boundary disputes.

Thailand will lead the discussion on the Cambodian situation, which will analyze UN assistance to Cambodia during its transitional period and the successful general election that followed in May.

Sarasin said one of the sessions will focus on Asean's Treaty of Amity and Cooperation, which could be used as a model for a regional security agreement. The 1976 treaty outlines steps to peaceful co-existence. Last year, Vietnam and Laos acceded to the treaty.

The first workshop was held in Bangkok in March with more than 60 experts and academics from Asean, Indochina, Burma, Australia, China, Canada, Germany, Japan, New Zealand, the US and the UN.

The Singapore workshop is jointly organized by the International Studies Centre and the island republic's Institute of Policy Studies, and funded by the Ford Foundation.

The two-day workshop will also discuss papers submitted by Indonesia and Vietnam.

Japan**Official: Summit Not Discussing Foreign Exchange***OW0807032493 Tokyo KYODO in English 0315 GMT 8 Jul 93*

[Text] Tokyo, July 8 KYODO—A senior Finance Ministry official on Thursday [8 July] denied news reports that foreign exchange problems are being discussed at the ongoing Group of Seven summit in Tokyo.

Speaking on condition of anonymity, the official said, "The foreign exchange issue was not discussed so far and will probably not be," at the three-day summit that ends Friday [9 July].

He also said, "It not even mentioned in Japan-U.S. talks."

Aide Confirms Yeltsin To Visit in Oct*OW0907074093 Tokyo KYODO in English 0729 GMT 9 Jul 93*

[Text] Tokyo, July 9 KYODO—Russian President Boris Yeltsin's chief spokesman confirmed Friday [9 July] that Yeltsin will pay a twice-postponed official visit to Japan in October. Spokesman Vyacheslav Koschikov said Yeltsin and Japanese Prime Minister Kiichi Miyazawa on Thursday "agreed in principle to realize (Yeltsin's) October visit to Japan."

"The specific date for the visit has not yet been agreed upon," he said.

Yeltsin and Miyazawa also agreed to hold "in-depth" talks during the October visit on the territorial issue that has long chilled the bilateral relations, Koschikov said.

The territorial dispute is about four islands off Hokkaido seized by the Soviet Union at the end of World War II. Japan refuses to sign a peace treaty with Russia or give it substantial aid until Moscow agrees to recognize Japanese sovereignty over the islands.

Koschikov told reporters Yeltsin is happy with the outcome of his talks with Miyazawa, including the "friendly" atmosphere. Yeltsin on Friday met the Group of Seven (G-7) leaders after their Tokyo summit to ask them to eliminate what Moscow calls discriminatory trade curbs against Russia.

Yeltsin would urge the G-7 leaders to recognize Russia "as an equal partner" with them in expanding trade and investment relations between Moscow and the rest of the world, Koschikov said.

A source in the Russian delegation earlier said Yeltsin will tell the "G-7 plus one" meeting that "after a modern export control system has been formed in Russia, there are neither political nor technical obstacles for Russia's joining the international export control organization as a full member." The official, who spoke on condition of

anonymity, said Yeltsin will voice criticism of remaining restrictions on Russia's trade under the Paris-based Coordinating Committee for Export Control (COCOM).

A European source said, however, that a passage in the G-7 political statement on nonproliferation and missile technology controls was included in view of a recent series of reported Russian arms sales to Third World clients.

A Japanese Foreign Ministry official also said that "effective export control has to be put in place in Russia" before the G-7 nations substantially COCOM restrictions.

Yeltsin will also call on the G-7 to place greater emphasis on investment in Russia, rather than humanitarian assistance, though he would not dismiss the need of such aid, Koschikov said.

"The president will say that investment in Russia is more important than extending humanitarian aid," he said.

Yeltsin will also stress that the international community needs to tighten controls on regional military conflicts in various parts of the world such as the Balkans war raging in the former Yugoslavia, the spokesman said. The Russian leader will urge the G-7 nations to strengthen the powers of the United Nations to cope with these military conflicts, he said.

Gotoda Victim of 'Slight Heart Attack'*OW0907014293 Tokyo KYODO in English 0045 GMT 9 Jul 93*

[Text] Tokyo, July 9 KYODO—Deputy Prime Minister Masaharu Gotoda was transferred early Friday from a Red Cross medical center to Mitsui Memorial Hospital for further observation, his aides said.

Gotoda, 78, was first rushed by ambulance around midnight to the Red Cross medical facility near his home in Tokyo's Shibuya Ward after complaining he was not feeling well. A doctor at the center told reporters that overwork apparently caused Gotoda's collapse and his pulse and blood pressure were normal. Gotoda, however, was later transferred to Mitsui Memorial Hospital in Kanda, Chiyoda Ward, for additional check-up.

Gotoda attended Thursday night's banquet at the imperial palace for leaders of the Group of Seven industrialized nations.

Gotoda's sudden hospitalization is expected to deal a severe blow to the election campaign strategy of the ruling Liberal Democratic Party, likely to lose its 38-year unbroken grip on power in the July 18 general election. The official campaign for the election started Sunday.

Before the campaign's official start, Gotoda implied his intention of resigning from the political arena due to

advanced age. Supporters, however, persuaded him to continue his political career.

Gotoda, known as an advocate of political reform, has been stumping in Fukushima and Kumamoto prefectures for LDP reform-minded candidates.

Later, a doctor at Mitsui Memorial Hospital said Gotoda appeared to have suffered a slight heart attack and is likely to be in hospital for about a week. A government source said Gotoda suffered from overwork due to his tight schedule for the election campaign but should recover soon after taking a rest.

Policemen Return Home From Cambodia

*OW0807033893 Tokyo KYODO in English 0244 GMT
8 Jul 93*

[Text] Narita, Chiba Pref., July 8 KYODO—A group of 66 Japanese police officers returned home from Cambodia on Thursday [8 July], ending a nine-month stint as one of Japan's first groups to participate in a U.N. peacekeeping operation.

Arriving at Narita Airport at 6:10 A.M. on a flight via Bangkok, one policeman held a portrait of slain colleague Haruyuki Takata, 33, who was killed in May in a guerrilla ambush in Ampil, northwestern Cambodia.

A grim-faced Hiroto Yamazaki, 40, who led the Japanese civilian police corps, told reporters at the airport that he is sure that their mission was "more than perfect" despite his regrets over Takata's death.

Shortly after Takata was killed, Yamazaki reportedly had asked Japan's Home Affairs Minister Keijiro Murata, "how many of us will have to die" before the government decides to pull the Japanese police out of Cambodia.

Their return five days earlier than initially planned represents the first pullout among 32 countries which have been taking part in the civilian police force directed by the U.N. Transitional Authority in Cambodia (UNTAC).

After Takata's death, Tokyo had considered breaking off the police officers' assignment in Cambodia, but dropped the idea amid fears of international criticism.

When the mission left Japan for Cambodia last October it consisted of 75 Japanese police officers.

But in early May, Takata was killed and later eight other members, including those who were injured in the ambush which left Takata dead, returned home because of health problems. Two of the eight policemen reportedly remain hospitalized.

Also greeting the police officers at the airport were members of their families, government officials including Shunji Yanai who heads the government's International Peace Cooperation Headquarters, and six of the policemen who had returned earlier.

The Japanese policemen mainly aided the local police administration and helped guard polling stations during the May 23 to 28 general election.

Along with the civilian police corps, Japan sent a 600-member Self-Defense Forces (SDF) engineering contingent to Cambodia.

The SDF troops will return to Japan in September.

The SDF contingent was Japan's first military force to be deployed overseas in the postwar era to cooperate with international peacekeeping efforts.

BOJ Says Economic Slump Not Yet Over

*OW0707142993 Tokyo KYODO in English 0824 GMT
7 Jul 93*

[Text] Tokyo, July 7 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday it is too early to declare that the Japanese economy has hit bottom and is now heading for a full recovery. Although the economy has stopped declining, overall conditions are still mixed amid a crosscurrent of encouraging and discouraging signs, he said.

"I expect the economy to begin recovering gradually in the latter half of this fiscal year," Mieno told a press conference.

The remarks confirm the perception echoed by BOJ branch managers during their meeting on Monday and Tuesday. Summing up the BOJ branch heads' meeting, Mieno said business confidence was mixed from one industry to another, and from one region to another. Mieno said downward pressure in manufacturers' production seen previously eased "substantially" because their inventory adjustment has been almost completed.

Housing investment has also picked up on increased public works projects in line with the government's latest pump-priming package adopted in April, he said.

But he warned that "no conspicuous signs of recovery" have been detected in corporate capital spending or personal consumption. Domestic-bound travels and some home electrical appliances have shown brighter signs, but consumers generally tend to "hold their purse strings tightly" in other major areas, Mieno said.

The prospect for the course of the nation's economy has been also clouded due to the yen's rapid appreciation against the U.S. dollar and Japan's political uncertainties, he said. Corporate sentiment, which picked up thanks to some recovery in Japanese stock markets since around February, stopped improving due to these two factors, the governor said.

BOJ branch managers from many areas reported that the higher yen has been weighing heavily on many corporations, Mieno explained. But some have successfully minimized adverse effects by shifting production to overseas, he added.

Many companies are calling for the government to take steps to pass on to them part of the windfall profit from the strong yen, in addition to stabilizing yen-dollar exchange rates, Mieno said quoting reports presented by BOJ branch heads at their latest meeting as saying.

On the nation's labor condition, Mieno said "no substantial changes" have been observed, explaining that an overall labor shortage will continue on a medium- and long-term basis, despite some signs of easing.

The central bank will keep a close tab on the cumulative effects of the past credit easing, Mieno said. Such effects will not come out immediately, but they would emerge "very conspicuously," particularly under the final phase of the economic slump, he added.

The recent enactment of the supplementary budget for fiscal 1993 will serve as major leverage to pull the economy out of the slump that has colored the nation's various industrial sectors for a long time, Mieno said.

As a way to reduce Japan's huge current-account surplus, Mieno cited further efforts to achieve sustained economic growth free from inflation.

Even after the step is implemented successfully, surplus stemming from structural problems, such as high savings rates in Japan, could still remain, he said, indirectly referring to the need for Americans to raise their savings rate as part of efforts to redress the trade imbalance with Japan.

Macroeconomic steps, such as setting numerical targets in trade balance, thus would not serve to solve the problems, Mieno said.

As another way of rectifying Japan's current-account surplus, Mieno cited deregulation and removal of various business practices in Japan in order to improve foreign access to Japanese markets.

Mieno voiced hope that the recent cut in Germany's two key interest rates will help spur not only the flagging German economy but global economic growth as well.

BOJ Branches Report Continued Erratic Economy

OW0507125593 Tokyo KYODO in English 1158 GMT 5 Jul 93

[Text] Tokyo, July 5 KYODO—Branch managers of the Bank of Japan [BOJ] said Monday [5 July] that uncertainties remain over the state of the nation's economy, although some encouraging signs have appeared. BOJ Governor Yasushi Mieno kicked off a two-day quarterly meeting of 33 domestic branch chiefs and heads of three overseas offices, projecting business conditions will likely stay mixed prior to a moderate recovery expected sometime in the latter half of the current fiscal year. Officials who attended the meeting said participants voiced uncertainties over a recovery in private consumption, corporate capital spending, and the recent sharp appreciation of the yen against major currencies.

Among the brighter signs cited by the officials, however, were inventory adjustments nearing completion and a revival in housing investments, the officials said. Public works spending, boosted by the government's stimulus packages, and steady exports are expected to support such conditions. "The situation probably won't get any worse," Tatsuya Tamura, head of the Central Bank's Osaka office, told reporters. It will be some time, however, before consumption recovers, with efforts to overcome structural problems, he said, referring to a need to deregulate the distribution system. And companies will remain cautious about boosting capital investment, he said. Officials said reports were mixed on whether further pump-priming programs should be introduced or whether the official discount rate should be cut, which currently stands at a historical low of 2.5 percent.

Mieno made no specific reference to the Central Bank's monetary policy. Officials said, however, participants echoed concerns over volatility in dollar-yen exchange rates in the industrial sector. "There seems to be a renewed feeling about the efficiency of overseas production," Tamura said, pointing to possible problems caused by the rush of manufacturers setting up production bases overseas and the possible "hollowing out" of Japanese industry. He also raised concern over a resulting higher unemployment due to the emphasis on increasing production abroad. Meanwhile, Tamura said he sees no "evidence" that the "main engine" of the economy will be in full operation in the latter half of the current fiscal year. He said current business conditions have changed little from the last quarterly period, with only a moderate improvement if any.

Eiichiro Kinoshita, head of the BOJ's Nagoya office, joined Tamura in taking a cautious stance on declaring a full recovery in the Japanese economy. It will take more time before the economy picks up fully, Kinoshita said. He said that while the economic slowdown has improved, corporate managers' confidence appears to have worsened further from late May to June, affected by the yen's sharp appreciation against the dollar and the political confusion. Improved business earnings are not expected immediately in view of a possible output reduction in the July-September period, he said.

MOF To Issue 300 Billion Yen Government Bonds

OW0607041293 Tokyo KYODO in English 0235 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—The Finance Ministry [MOF] said Tuesday [6 July] it will issue 300 billion yen of 20-year government bonds with a coupon of 5.3 percent per annum.

The coupon on the issue, to be offered July 20 in auction, is 0.2 percentage lower than the bonds issued in June.

In recent trading, prices of such government bonds are rising on widespread expectations that the Bank of Japan may ease credit conditions.

The MOF apparently will take advantage of the increased demand for bonds, as July is not usually a 20-year bond issuing month, a bond dealer said.

Bridge Loans to Vietnam Planned for Sep

OW0507121393 Tokyo KYODO in English 1023 GMT
5 Jul 93

[Text] Tokyo, July 5 KYODO—Japan and France plan to initiate bridge loans for Vietnam this September to enable the country to repay 140 million dollars borrowed from the International Monetary Fund (IMF). Japanese Government sources said Monday [5 July]. They said the move is in line with the announcement by U.S. President Bill Clinton last Friday of Washington's decision to resume financial assistance to Hanoi.

The bridge loans are being sought because international funds are not available to Vietnam until it repays the loans to the IMF, the sources said. When Hanoi repays the IMF with the fresh loans, negotiations for new loans with organizations like the Asian Development Bank can proceed and direct investment plans by the private sector will also be activated, they said.

The sources said about 10 countries will be involved in providing the loans, with Japan and France accounting for more than 50 percent. The Japanese funds will be provided by the Export-Import Bank of Japan, they added. It will be the first time Japan has offered funds to Vietnam in the form of bridge loans. They said the IMF will decide at its Board of Governors' meeting on July 14 to resume loans to Vietnam. It will then help Hanoi draw up a financial reconstruction program. The planned bridge loans will be provided thereafter on the basis of the reconstruction program, they said.

Steelmakers View U.S. Partners' Testimony

OW0307092693 Tokyo KYODO in English 0830 GMT
3 Jul 93

[Text] Washington, July 3 KYODO—The U.S. International Trade Commission [ITC] is almost certain to support a Commerce Department ruling that Japanese steelmakers sell steel sheets at unfairly low prices on the U.S. market, industry sources said Saturday [3 July]. The commission has scheduled the final hearing on the issue for July 27.

The sources said the U.S. steel industry is going all out to prove that it has suffered damage from Japanese imports. The Commerce Department ruled June 22 that steel sheet imports from Japan and 18 other countries have been "dumped" on the U.S. market, causing damage to the U.S. industry.

Japanese steelmakers expressed shock when their U.S. partners testified in favor of the U.S. industry. Nippon Steel Corp., the world's largest steelmaker, NKK Corp., and other major Japanese steel companies have stakes in U.S. steel firms.

Some U.S. steelmakers refrained from supporting the dumping petition against Japanese competitors last year. The U.S. industry has also changed its stance, making Japan the No. 1 target in its drive against steel imports, while its criticism against the European Community is directed mainly at government subsidies for exports, the sources said.

The U.S. industry has pushed Congress to step up political pressure to curb steel imports from Japan and European countries, the sources said.

OECD Funds to Developing Nations Up in 1992

OW0807134793 Tokyo KYODO in English 1251 GMT
8 Jul 93

[Text] Tokyo, July 8 KYODO—Aid and other funds from 21 developed nations to developing countries in 1992 amounted to 176 billion dollars in 1992, up 23 percent from the year before, the Foreign Ministry said Thursday [8 July].

The ministry the funds came from the 21 member nations of the Organization for Economic Cooperation and Development (OECD)'s development assistance committee (DAC).

Of the total, 60.8 billion dollars were offered in a form of official development assistance (ODA), up a mere 1.1 percent from the year before.

But private-sector funds, particularly loans by banks and direct investment, increased considerably, it said.

The ratio of the funds to the DAC nations' gross national product (GNP) remained unchanged from the previous year at an average of 0.33 percent, it said.

India To Receive 119 Billion Yen Loan Package

OW0207154793 Tokyo KYODO in English 1242 GMT
2 Jul 93

[Text] Tokyo, July 2 KYODO—Japan has pledged a 119.64 billion yen loan aid package to India for the coming year at an international donor conference in Paris, the Foreign Ministry said Friday [2 July].

Japan, which is India's largest aid benefactor, made the commitment at an Aid India consortium meeting in Paris on Wednesday and Thursday.

Japan's new offer just barely surpasses a 119.08 billion yen pledge made at last year's meeting, but falls substantially short in dollar terms.

Prior to the annual conference, the World Bank had recommended that bilateral and multilateral donors match last year's aid commitment of 7.2 billion dollars, which would be less in real terms this year due to inflation and exchange rate fluctuations.

In contrast, last year's total pledge was 7.5 percent higher than the 6.7 billion dollars committed for 1991. This

year, however, donors have voiced serious concern about New Delhi's failure to utilize billions of dollars in existing aid commitments.

Officials said the targets of new Japanese loans include three thermal power station projects, a road rehabilitation project, a bridge-building project, and a small-scale industries development program.

Manufacturers' Profits Increase Despite High Yen

OW0607141293 Tokyo KYODO in English 1231 GMT 6 Jul 93

[Text] Osaka, July 6 KYODO—Sumitomo Trust and Banking Co. said Tuesday [6 July] manufacturers would post increased pretax profits in the latter half of fiscal 1993 despite the yen's appreciation. The bank ruled out an economic downturn even though the currency has moved below 100 yen to the dollar.

The yen's rise to about 108 yen per dollar from 124.80 yen, the average value in fiscal 1992, which ended March 31, will depress pretax profits of corporations by an estimated 8.1 percent, Sumitomo said. It forecast that raw materials industries such as steel and chemicals will benefit from the yen's rise. Also, it said the combined profits of all manufacturing industries will post a single-digit rise in the latter half of fiscal 1993 in a turnaround from a double-digit fall in the first half.

The bank said the economy, which hit bottom in the first quarter of calendar 1993, will continue to recover steadily, limiting adverse impacts of the stronger yen to a negligible level.

Suspected Antimonopoly Law Violations Increase

OW0607101293 Tokyo KYODO in English 0932 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Suspected violations of the antimonopoly law by industry groups increased in fiscal 1992, the Fair Trade Commission (FTC) said Tuesday [6 July].

During the year ended March 31, the FTC said it was asked to give advice on 808 cases involving various industry groups. It said 59 percent were suspected of violating fair trade rules.

The number of inquiries decreased by 152 over the previous year but the rate of suspected violations was up six percentage points, the FTC said.

It said most of the inquiries involved price fixing, such as setting the minimum fee for consultants on administrative papers.

Shinseito Apologizes for LDP Power Politics

OW0207011193 Tokyo KYODO in English 1218 GMT 1 Jul 93

[Text] Tokyo, July 1 KYODO—Shinseito [New Life Party], a breakaway party from the ruling Liberal Democratic Party (LDP), apologized to the public Thursday for helping the LDP maintain its monopoly on power and the "evil" of factional politics.

In its platform for the July 18 general election, Shinseito (Japan Renewal Party) said the top priority of the election is to oust the LDP from government and implement political reform. "It is possible to implement a realistic change in power without confusion when Shinseito becomes the nucleus of a new government," the Party said.

"We deeply repent and frankly apologize to the people for the fact that many parliamentarians of Shinseito have been at the center of the LDP Government and helped one-party rule and the evil of factional politics.

"The fact that we have left the LDP and created a new party means that we have broken with the old political system and profit-buying structure."

Shinseito leader and former Finance Minister Tsutomu Hata, former LDP Secretary General Ichiro Ozawa and 42 other LDP defectors formed the party June 23.

All were members of the LDP largest faction founded by former Prime Minister Noboru Takeshita which dominated the party until it split last year. Both Takeshita and Ozawa have denied allegations of involvement in the Tokyo Sagawa Kyubin money-and-mob scandal.

Brokerage Industry To Continue LDP Donations

OW0207011293 Tokyo KYODO in English 1053 GMT 1 Jul 93

[Text] Tokyo, July 1 KYODO—Masaru Aratani, the new head of the Japan Securities Dealers Association, said Thursday the industry will continue to offer political donations to the ruling Liberal Democratic Party (LDP).

"We have no intention of reconsidering (our stand)," he told an inaugural news conference after he was officially appointed president of the association at its board meeting Thursday. He added, however, he has no knowledge of a new donation request reportedly made by the LDP to put up funds for the July 18 general election.

Meanwhile, a senior association official said it is considering decreasing the amount of donations to the LDP and the opposition Democratic Socialist Party (DSP). The association has previously contributed funds to the parties through groups of stock exchange members.

The group of Tokyo stock exchange members donated 59.7 million yen to the LDP and 31.8 million yen to the DSP in fiscal 1991. The Osaka Securities Exchange

Group contributed 51 million yen to the LDP and 9 million yen to the DSP the same year.

Business groups' political donations to the LDP are under question in light of the emergence of new conservative parties and endless corruption scandals involving the ruling party.

On resuming equity financing, Aratani took a cautious attitude, saying the industry has to formulate stern rules in learning from its experience during the bubble economy.

Auto Union Supports 9 New Party Candidates

OW0207014393 Tokyo KYODO in English 1120 GMT 1 Jul 93

[Text] Tokyo, July 1 KYODO—One of Japan's major industrial unions decided on Thursday to support nine candidates from three newly created political parties in the July 18 general election, union officials said. Leaders of the Confederation of Japan Automobile Workers' Unions (Jidosha Soren) made the decision in an executive central committee meeting, the officials said.

The 800,000-member industrial trade union, under the umbrella of Japan's largest trade union confederation Rengo, has previously backed candidates only from the centrist Democratic Socialist Party (DSP).

The union will back three candidates from Shinseito [New Life Party] (the Japan Renewal Party), a break-away party from the ruling Liberal Democratic Party (LDP), two from Sakigake [Forerunner Party] (Harbinger), another LDP breakaway party, and four from the 13-month old Japan New Party (JNP), the officials said.

LDP defectors formed Shinseito and Sakigake last week.

According to the officials, former finance minister and head of Shinseito Tsutomu Hata is among the three Shinseito candidates. JNP head Moriyoshi Hosokawa is among the four JNP candidates.

In addition, Jidosha Soren decided to support 27 DSP candidates, 13 candidates from the top opposition Social Democratic Party [SDP], two from the United Social Democratic Party, and one from Komeito.

The 864,000-member Japanese Electrical Electronics and Information Union (Denki Rengo), another one of the major industrial unions, decided on Monday to support nine candidates from Shinseito, the JNP and Sakigake. Denki Rengo has previously supported only SDP candidates.

Hayashi Asks Banks for Election Campaign Funds

OW0207055793 Tokyo KYODO in English 0447 GMT 2 Jul 93

[Text] Tokyo, July 2 KYODO—Finance Minister Yoshiro Hayashi said Friday that he asked several major commercial banks and life insurance companies to provide election campaign funds for the July 18 election. He

refused to disclose how much he sought. But Hayashi told reporters his requests were within the framework of the Political Funds Control Law.

"The amount is not in millions of yen per company. I observed the law," Hayashi said. The political funds law sets a 50 million yen limit on political donations that a company can make to supporting groups of individual politicians in a year.

"Elections need a lot of money. It would be unfair if I could not receive funds," the finance minister said.

Hayashi said that friends in the financial institutions periodically sent political donations, sometimes twice a year. The companies donate to groups that support the faction of Prime Minister Kiichi Miyazawa to which Hayashi belongs, he said.

Hayashi supervises financial institutions such as banks and insurance companies, but he denied exerting his powers to gain campaign funds for the House of Representatives election.

An executive official of a bank involved said that Hayashi privately asked for a donation for his faction. Financial sources said it is difficult to shun such requests by the finance minister.

Political funds are believed to be a hotbed of repetitious political corruption epitomized by the receipt of a 500 million yen illegal contribution to fallen political kingpin Shin Kanemaru, which was disclosed last August. Kanemaru received the money from a major trucking company and was forced to resign from the Diet last October after being ordered to pay a paltry 200,000 yen fine. He has now been indicted on charges of evading more than 1 billion yen in tax.

Both the ruling Liberal Democratic Party (LDP) and opposition parties have tried to incorporate stringent measures to control political fund raising activities into a reform package to rid Japan of its scandal-tainted politics. Their efforts stalled over differences on electoral reform, which led to a vote of no-confidence against Miyazawa on June 18 and dissolution of the lower house, paving the way for this month's general election.

Chief Cabinet Secretary Yohei Kono said Friday that he does not plan to question Hayashi about his request for political donations. Kono said a report in the ASAHI SHIMBUN about the donations was unclear.

Miyazawa also told reporters that he has no intention of questioning Hayashi.

Eight of Japan's major commercial banks said Tuesday that they have jointly loaned 10 billion yen to the LDP to help finance its campaign for the powerful lower chamber election. The LDP has asked key members of the nation's largest business lobby to contribute a total of 18 billion yen to the party to help cover election costs.

Miyazawa Snubs Rengo Leader Yamagishi*OW0207164793 Tokyo KYODO in English 1521 GMT
2 Jul 93*

[Text] Tokyo, July 2 KYODO—Prime Minister Kiichi Miyazawa on Friday [2 July] refused to shake hands with the leader of Japan's largest labor organization or reply to his question, union officials said.

Akira Yamagishi, president of the Japanese trade union confederation (Rengo), and labor leaders from six industrial countries met the prime minister to deliver requests in connection with the Group of Seven (G-7) summit to be held from July 7 to 9, the officials said.

Yamagishi has voiced support for the forming of a noncommunist coalition government to replace the government of the ruling Liberal Democratic Party (LDP), currently headed by Miyazawa.

The labor leader has urged seven opposition parties to mend their policy differences to strive toward forming a coalition government.

Labor Minister Masakuni Murakami, who also attended the meeting, later apologized to Yamagishi in an evening meeting and told him Miyazawa has considered him a key person in creating the political situation that forced the prime minister to dissolve the House of Representatives on June 18.

Officials said the prime minister refused to shake hands with Yamagishi when the labor leader said "hello" and held out his hand.

Miyazawa did shake hands, however, with U.S. labor leader Lane Kirkland and other foreign union leaders, the officials said.

During the meeting, Miyazawa also refused to reply to a question from Yamagishi by throwing down a pencil, saying, "Why must I answer such a question?" they said.

Yamagishi told reporters afterwards, "It was a crude antagonistic action. It was (also) a deed against international courtesy" with foreign guests in attendance.

Labor leaders from Britain, Canada, France, Germany, Italy, and the United States held a two-day labor meeting from Thursday to discuss issues of falling unemployment and the global economic recession.

Construction Group Bans Donations to Politicians*OW0307003993 Tokyo KYODO in English 1416 GMT
2 Jul 93*

[Text] Tokyo, July 2 KYODO—A federation of 59 major construction firms agreed Friday [2 July] to ban donating funds to individual politicians as part of rules adopted to curb a spate of corruption scandals, industry officials said.

Senior executive officials from the member firms of the Japan Federation of Construction Contractors promised to

adhere to the rules in a hastily called meeting in view of a string of money-tainted political scandals that have rocked the industry for more than a decade, the officials said.

In addition to formal political donations, construction firms have reportedly given massive secret funds to politicians in exchange for favorable treatment in designated construction bids from central and local governments.

The officials said one of the rules includes that construction firms will stop contributing political donations to individual politicians. They said the rules apply to the July 18 general election for the House of Representatives.

The industry rules also stipulate that firms must not buy more than 10 tickets for a fund-raising party from a politician, the officials said.

The Tokyo-based construction federation will study ways to punish member firms, including expelling them from the federation or suspending their membership, if they are found to violate the rules.

In another development, the Tokyo District Prosecutors Office has increased the number of its investigators to 40, the second largest following the 52-member probe team for the 1989 Recruit stock-and-favors scandal and the same number for the 1976 Lockheed payoff scandal.

The strengthening of the team followed the arrest of the mayor of Sendai in northeastern Japan and eight other men, including six executive officials of four major construction firms. Prosecutors suspect the mayor received 100 million yen in cash from the four companies in April 1992 in return for favors related to a public works project in Sendai, the main city of Miyagi Prefecture.

Businessmen Back Donations to Opposition Parties*OW0307012193 Tokyo KYODO in English 1306 GMT
2 Jul 93*

[Text] Tokyo, July 2 KYODO—A majority of business people in a poll released Friday [2 July] support giving political donations to parties other than the governing Liberal Democratic Party.

The Japan Association of Corporate Executives (Keizai Doyukai) said 52.5 percent of respondents to the survey said they support the current system of distributing political donations to the LDP through its fund-raising group. Of those who support the current system, 83.0 percent replied that they support the idea of extending political donations to parties other than the LDP. Only 17.0 percent replied that political donations should be distributed mostly to the LDP under the current system. Of the respondents, 47.5 percent said the current system should be dismantled.

The survey was taken on 1,538 business people between June 23 and July 1. Of the people surveyed, 48.2 percent responded.

The findings came one day after Japan's four major business groups agreed to review their policy of giving political donations almost solely to the LDP. Currently, corporations distribute official political donations to the LDP through its fund-raising group, known as Kokumin Seiji Kyokai.

A series of opinion polls show that the LDP is set to lose its 38-year hold on power for the first time since its founding in 1955. The upheaval erupted when Prime Minister Kiichi Miyazawa was forced to call a general election after a vote of no-confidence was passed against him June 18.

The poll showed 54.2 percent of the respondents favor an LDP government or LDP-led coalition government if the LDP loses its majority in the lower house. But 45.8 percent replied they support a coalition government excluding the LDP.

Reportage on 2d Day of Preelection Debate

Shinseito's Hata Makes Statement

*OW0307104793 Tokyo NHK General Television
Network in Japanese 0404 GMT 3 Jul 93*

[Statement by Shinseito Chairman Tsutomu Hata, preceding a preelection debate at the Japan National Press Club in Tokyo—live]

[Text] I am Hata of Shinseito [Japan Renewal Party]. We founded Shinseito as a new political party after the House of Representatives was dissolved on 23 June, and I would like to briefly explain why we did so. Somehow, we have always wondered if it was all right to leave Japan's politics as they are. We have thought about the issue of collusive connections between money and politics, and we have harbored the question about whether the Diet is a venue to debate how to further develop Japan and how to handle our foreign policy.

As you know, the cabinet has had a short life and has been constantly reshuffled. For many years, I have wondered if this represents genuine politics. We intended to initiate political reform at any cost, and we have been grappling with the issue of initiating political reform, together with Mr. Takemura, sitting beside me, since the Kaifu cabinet. To our regret, established politicians have been afraid to seek new things. Our efforts to push for political reform have been crushed by their harassment. Even during the recent developments, we talked with Prime Minister Miyazawa until the last moment with the hope of revitalizing the country's politics through political reform. To our regret, the prime minister wanted to take action, but those around him did not want to move. That is what actually happened. I think that people in key party posts made no action to enact a package of political reform bills in the Diet. We thought that nothing could be done unless the political reform bills were adopted in the Diet. Frankly, I told the prime minister that if the package was not

adopted, we would have no choice but to join the opposition in passing a no-confidence motion against his cabinet.

I also told the prime minister: Since Japan is faced with various issues, including hosting the Tokyo summit and installing stimulus measures for the economy, you have to establish prospects for dealing with political reform one way or another. You have promised to push for political reform, and all the people would support you if you initiated them. You will have to display leadership in pushing for political reform.

In response, the prime minister showed a willingness to make serious moves toward political reform. To our regret, he was unable to move the LDP. As you know, in the past, any no-confidence motion against the cabinet has been delayed because of various reasons. The no-confidence against the Miyazawa cabinet, however, was passed in the Diet without delay, as scheduled. I could not but feel that the prime minister has become a figurehead king [hatakano osama]. Some LDP lawmakers are still discussing political reform, even though the no-confidence motion against Miyazawa's cabinet was passed, and I cannot understand their actions. We think the most important thing now is that politicians must act in a manner that people fully understand. Although we felt pain, we joined the opposition in passing the no-confidence motion against the Miyazawa cabinet.

In the course of debating political reform, we have consistently advocated that the biggest issues are one-party rule by the LDP and the current electoral system, which continues to keep one-party rule in place. In the course of debating the current electoral system, we also have advocated the need to create a new electoral system that would make it possible to bring about government change. We have taken action with the aim of changing our nation's politics. The one-party rule, which has continued for 38 years, is the cause for stagnation in our nation, and we have decided to take action now to rid our nation of this stagnation. We took pride in working in the LDP, but we have decided to break away from it. We felt like our hearts were breaking when we left the LDP. We have established the Shinseito Party with the intention of creating a new kind of politics in Japan.

Our party, Shinseito, and other political parties, with the exception of the LDP, have stood up against one-party rule after concluding that it was undesirable. Our party intends to fight together with other non-LDP political parties in the upcoming general elections, while discarding unimportant differences with them and restraining ourselves. We intend to practice politics in a manner that people easily understand. We also intend to stop practicing politics that follow others and defer problems until later.

In the international arena, Japan should stop following the United States and European nations on every issue, but we should make proposals to them sometimes. Japan

should aggressively participate in international affairs, and I think that we need to create a political situation that will enable Japan to do so. Whether we like it or not, Japan has developed into what it is, and this is reality. I think that Japan is being asked by the rest of the world to take action based on that reality, in a manner that the world's people can understand. We will take action with that point in mind. We still have the government, political parties, and factions, and we have remained a part of them. We have been in a position to have a firsthand look at the merits and demerits of politics. We have stood up after concluding that if conventional politics are left unchanged, nothing will be done. We intend to cope or deal with difficult issues with those points in mind. I would like to solicit cooperation and understanding from the people.

Takemura Makes Statement

*OW0307115393 Tokyo NHK General Television
Network in Japanese 0409 GMT 3 Jul 93*

[Statement by Masayoshi Takemura, representative of Shinto Sakigake, preceding a preelection debate at the Japan National Press Club in Tokyo—live]

[Text] I am Masayoshi Takemura of Shinto Sakigake [Harbinger Party]. It seems to me that I am not as well known to the people, so first of all, I would like to introduce myself. I am a native of Shiga Prefecture and am 58 years old. I ran in a mayoral election 23 years ago and won. I served as mayor for one term and then served as governor of Shiga Prefecture for 12 years. I have served as a lawmaker for seven years.

As a lawmaker, I witnessed the Recruit and the Sagawa Kyubin financial scandals. I thought the most important thing for a politician is to have the courage to dauntlessly challenge corruption and distortion in our society. I have been involved in dealing with such things since I served as governor of Sagawa Prefecture. I grappled with environmental problems while serving as governor of Shiga Prefecture, and I was able to accumulate my experience in dealing with environmental problems. I was involved in drafting a basic environmental law while serving as chairman of the Environment Division in the ruling Liberal Democratic Party [LDP]. I intend to stress the importance of tackling global environmental problems.

I would also like to mention the issue of decentralizing administrative powers from the central government to local autonomous governments. Although many are now speaking of the need for decentralization, I think that Japan needs to restore its diversity and unique character. I intend to create a new Japan with a unique and diverse flavor. I believe that now is the time to pursue politics that will make it possible to transfer administrative powers from the central government to local autonomous governments.

Our 10 lawmakers broke away from the LDP to establish the Shinto Sakigake as a new political party. Mr. Hata and his colleagues, who belonged to the same faction in

the LDP, were able to take concerted action in leaving the LDP. We, however, belonged to different factions in the LDP. As you are aware, factions in the LDP maintained a close vertical and lateral human relationship, and it was painful for us to leave our factions. We all made up our minds to leave the LDP based on our own judgment, and we united ourselves to establish the party. One feature of our party may be that although it is small in size, it will exert its best efforts to create a new political power.

Two years from now, Japan will mark the 50th anniversary of the end of World War II. Economically, Japan has recovered from ruin at the end of World War II, doubled its income, and experienced high growth and the bubble economy. We have worked hard to build Japan into an economic superpower. We feel that the Japanese economy remains stagnant. Will it be all right even if the Japanese economy is left as it is?

The people are mentally dissatisfied, although they feel physically and financially affluent. Japan has a wonderful tradition and culture. People are concerned about the mass production and consumption that are destroying nature. Together with the people, who are well-fed and well-bred but feel dissatisfied, we are beginning a national debate on a new start for the next 50 years while conducting a personal view of the past 50 years.

Japan has yet to make a clean slate of the past war. It is a matter of course that Japan will not provoke another war. We should not follow the path of a military power. I believe that Japan should not seek a seat on the UN Security Council in a manner that makes the rest of the world misunderstand that Japan wants to become a political superpower. We will have to think of the possibility of turning Japan into a nation where people live high-quality lives. To that end, we will have to reexamine the current education and welfare system.

In any case, political parties have begun to move. Although our party is now making only a small move, it will do everything it can in the future. Our party intends to work hard together with the people to create new politics in Japan. I would like to ask for your cooperation.

USDP's Eda Appeals for Support

*OW0307140193 Tokyo NHK General Television
Network in Japanese 0419 GMT 3 Jul 93*

[Statement by Satsuki Eda, head of the United Social Democratic Party, preceding a preelection debate at the Japan National Press Club in Tokyo—live]

[Text] At the beginning of this news conference, Director Samejima of the press club referred to the 1990 preelection debate, which was held among five major parties. To my sorrow, the United Social Democratic Party [USDP] was not invited. At the time, I tried hard to join the meeting, but my request was turned down by the Liberal Democratic Party's [LDP] secretary general.

In the last 16 years since the USDP was founded, we have been stressing that Japan no longer needs ideology-oriented politics. Now that the cold war has concluded as we predicted, we are seeking a new political framework for Japan, overcoming the unchanged positions of the long-standing ruling party and the ever-unsuccessful opposition parties. I feel our party is finally meeting up with long-awaited friends for the first time in 16 years, and I am glad to join this news conference with fresh parties.

I think politics are becoming very interesting now because every voter has the chance to bring about drastic political change. This is an achievement of the four parties gathered today, rather than the five that showed up yesterday. Taking this into account, I would like to ask for public support for the four parties from a broader perspective.

The most noteworthy point in the current political scene is that we have a chance to replace the long-standing ruling party. Now is our chance to take power. Before speculating on various possibilities for post-election coalitions, the public should know that each voter must take the initiative in creating a new political scene through his or her vote. This country is now overcoming party- and politician-led politics, and obtaining a genuine popular sovereignty. From now on, the public can choose and create the government with its votes. Thoughtless votes just stabilize the corruption-prone LDP, and this would result in stagnated Japanese politics. Voters are expected to create an ambitious government by making the most of their own power. A political turnover may bring about an unstable political situation, but this must be called a lively motion rather than confusion. I wish everybody would join forces with us.

The recent confusion on the political scene is primarily caused by endless political scandals. The so-called Kanemaru case triggered hot debates on political reform throughout political circles, and we were almost ready to achieve an accord. Six opposition parties worked out a compromise plan, and even LDP members were seeking an accord with the opposition; however, Mr. Miyazawa said no to political reform at the very end of the process. He does not want to change the current political structure, which produced the Kanemaru scandal.

Even now, the former mayor of Sendai is being investigated by the police for receiving bribes from construction companies, and cabinet members are openly asking for monetary support from the business sector. Apparently, Japan has become a superpower of corruption rather than an economic superpower.

Since political reform is an urgent task for the leader of this country, Mr. Miyazawa must leave his seat if he does not want to carry out reform. This is why the opposition parties raised the no-confidence motion in the cabinet, and it was approved by the lower house because of cooperation from Mr. Hata's group—I guess it was a very difficult decision for them, though. The passage of the no-confidence motion was to urge Mr. Miyazawa to offer his seat to somebody who can

carry out reform; however, he decided to fire us instead. In fact, the Miyazawa administration is the biggest obstacle to political reform.

It is said that entrusting politicians with the task of political reform is like letting burglars write the criminal law, and therefore, the Diet's reform is now deadlocked. The public is now expected to take the initiative in political reform by supporting non-LDP parties and groups with their votes.

I believe those who voted yes on the no-confidence motion are qualified to build a government to replace the LDP. All candidates for the upcoming general election are supposed to clarify whether or not they support the LDP president in the Diet's prime ministerial election in the wake of the general elections.

The public is probably wondering if the anti-LDP team can really form a satisfactory government. Needless to say, the next government must carry out political reform. Moreover, if a political turnover takes place, that would bring about drastic changes in local government positions. They have been forced to obey the LDP to get their budgets from the central government, but this will completely change when a non-LDP government takes power. In that case, local autonomy and decentralization of power will be remarkably accelerated.

Moreover, fresh relations between Kasumigaseki [government agencies] and Nagata-cho [the legislative branch] will pave the way for the enactment of the information democracy law and the administrative procedures law, which are aimed at visible and individual-oriented national administration.

I believe a political turnover will certainly activate the public. Americans have elected a young President, and Cambodians are now reconstructing their country through general elections. Both countries are presently facing difficulties in dealing with new changes, but that is much better than breeding graft by avoiding hardships. Voters, please share your hardships with us to reconstruct this country. Please support our efforts to establish a non-LDP government. As a member of the USDP, I am ready to accomplish every thankless task to achieve our objective. Thank you.

NJP's Hosokawa Makes Statement

*OW0307175493 Tokyo NHK General Television
Network in Japanese 0429 GMT 03 Jul 93*

[Statement by Morihiro Hosokawa, head of the New Japan Party, preceding a preelection debate at the Japan National Press Club in Tokyo—live]

[Text] The New Japan Party [NJP] was formed in May of last year; exactly one year and two months ago. I did it all by myself. I think forming the party by myself was of great significance. Determinations or ideologies do not have to be formed only by democratic or by mutual consent. I think forming the party by myself was of great

significance. Many people are in sympathy with me. I may venture to say that some people were asking at that time why did I not have a news conference, inviting a big press corps. I think this is one of the reasons so many people are in sympathy with me now.

Anyhow, some people said that I made a flying start but the NJP would be the second case of the New Liberal Club [political party formed by some members of the Liberal Democratic Party in 1976 but eventually dissolved]. It may sound exaggerated, but I took actions on the basis on my own historic instincts. Things I explained at that time are becoming reality in the way I have been saying for almost a year. I certainly feel the stream of history.

I said at that time that Mr. Miyazawa would be the person who would close the last chapter of the LDP's one-party rule, which has lasted several decades. I also said an election would be held by August of this year. I was sure that the LDP government would be overthrown like the Berlin wall collapsed faster than anybody expected. Of course, the Sagawa Kyubin scandal and Mr. Kanemaru's case were not known to us in May of last year. However, I instinctively felt what I have just described.

When I finished my governorship in February 1991, I felt that I had had too much of politics. But, after that, I became involved in the activities of the Council for Administrative Reform and other organizations. I strongly felt that somebody had to brave the danger to change the political situation in which bureaucrats and the zoku-giin [Diet members who represent the interests of a particular sector of Japanese industry and lobby for them] are playing the leading roles, or the structural issues between the political, bureaucratic, and industrial worlds. I may sound like Don Quixote, but I took the daring act.

I was invited by Chief Cabinet Secretary Kono 17 years ago to join the New Liberal Club. At that time, I told Mr. Kono exactly what I was told by some people when I formed the NJP; I said to him that they were making a flying start and that I did not feel such a need of the time. Indeed, the Lockheed scandal was a big tremor to Japanese politics. But Mr. Ohira, who I respect, and the so-called new leaders were still active in political world. Ryosaku Sasaki and other people were also active as members of the opposition camp. I thought the house called Japanese politics would not be brought down by an earthquake of that scale [the Lockheed scandal].

However, I felt in May of last year that the floors and ceilings of the old house were already eaten up by termites and that it would not stand an earthquake of scale one or two. I thought the time was ripe [to form a new party]. I wrote 'now' when somebody asked me earlier to write my resolve on a large square poetry card. Anyhow, I was driven by the thought that the time is ripe and that somebody has to do it now. Therefore, I formed the NJP all by myself.

If I took such action 17 years ago, the people would have viewed my action as an attempt to sail up a river and would have thought my action would require a lot of energy and end in failure. Now, it is like sailing down a river. We do not need much gasoline. All we have to do is to steer so that we do not hit dangerous rocks. That is all we have to think about now. I think that most of the distance will be prepared by the current of time.

Looking back on the past year, I threw a small stone and my action has led to the formation of various groups and a split of the LDP. A new situation has been created, and the new situation has become a trend. I think the upcoming general elections will accelerate and spur the trend while making it decisive.

As mentioned earlier in this debate, Japan is faced with various issues. They include how to handle political reforms, how Japan should participate in UN peace-keeping operations and in what direction the Japanese economy, now stagnant, should be led in the future. I believe the upcoming general elections will hand down a unequivocal verdict of yes or no to a change in the government. I think a fatal flaw for Japanese politics is that whatever reports private organizations, private research institutes and the Council for the Reform of Administration compile, the Japanese politicians regard them as no more than useless papers. What is important is creating the situation that would make a transfer of power possible. There is no alternative to resolving the current structural issues in Japan. I have taken actions with that point in mind and at long last, such a situation is now emerging. A historical mission lies before us, and I often feel happy in anticipation of my participation in the historical mission. I would like to ask for your cooperation.

KYODO Reports Activities

*OW0307100393 Tokyo KYODO in English 0947 GMT
3 Jul 93*

[Text] Tokyo, July 3 KYODO—Morihiro Hosokawa, leader of the Japan New Party (JNP), on Saturday [3 July] hinted at a possibility of forming a coalition with reformists within the ruling Liberal Democratic Party (LDP) after the July 18 general election.

"I am not thinking about a coalition government," Hosokawa said in an election debate with three other opposition parties sponsored by the Japan National Press Club. "We will remain neutral outside a cabinet (after the election)."

Asked by reporters about the possibility of a coalition with the LDP in case the LDP nominates a reformist as prime minister, Hosokawa said, "I cannot totally rule out a possibility (of forging a coalition with the LDP)." He said the party will back the upcoming government on a basis of individual policies.

Masayoshi Takemura, leader of an LDP breakaway party, Sakigake (Harbinger), said the party has "no mood" to participate in a coalition government with the LDP.

Takemura said his party "will not be anti-LDP in all aspects," suggesting cooperation with the LDP on a case-by-case basis depending on policies in view of "national interests." Ten LDP defectors formed Sakigake on June 21.

The JNP, formed in May last year, and Sakigake have refused to enter consultations with other noncommunist opposition parties in hopes of forming a coalition after the election.

The LDP, which held 275 seats when the powerful House of Representatives was dissolved on June 18, is widely expected to lose its majority in the 511-seat lower house because more than its 40 incumbent lower house members have since bolted from the party.

The JNP and Sakigake are expected to play a pivotal role in forming a possible coalition. Tsutomu Hata, leader of Shinseito (Japan Renewal Party), another LDP breakaway party, and Satsuki Eda, leader of the United Social Democratic Party, called on voters to end the 38-year, one-party rule by the LDP in the election.

On Friday, the leaders of the LDP, the Social Democratic Party [of Japan] (SDP) [SDPJ], Komeito, the Democratic Socialist Party, and the Japanese Communist Party took part in the first election debates.

Early Saturday, leaders of eight noncommunist opposition parties attended a meeting of the election committee of the Japanese Trade Union Confederation (Rengo). Rengo President Akira Yamagishi said, "It is very significant that the eight leaders are meeting together despite differences in stance." "I hope (the opposition) will establish a non-LDP coalition government with election cooperation while utilizing their own individuality."

Former Labor Minister Yamaguchi Quits LDP

OW0307111693 Tokyo KYODO in English 1039 GMT 3 Jul 93

[Text] Urawa, July 3 KYODO—Former Labor Minister Toshio Yamaguchi said Saturday [3 July] he has quit the ruling Liberal Democratic Party and will run as an independent in the July 18 general election.

Yamaguchi is the 57th defector from the party since Prime Minister Kiichi Miyazawa dissolved the House of Representatives on June 18 in the wake of the passage of a no-confidence motion against his government with the help of LDP rebels.

Yamaguchi, 52, who has been elected to the lower house nine times from no. 2 constituency in Saitama, voted for the opposition-proposed no-confidence motion.

In 1976, Yamaguchi, current Chief Cabinet Secretary Yohei Kono and four LDP legislators split from the LDP and formed the New Liberal Club [NLC] amid political upheaval triggered by the Lockheed payoff scandal which led to the arrest of former Prime Minister Kakuei Tanaka. Yamaguchi assumed the post of NLC secretary general and served as labor minister under the cabinet of Prime Minister Yasuhiro Nakasone. Both Yamaguchi and Kono returned to the LDP in 1986 after the NLC suffered a severe setback in a general election and disbanded.

Asahi TV Panel Discusses Political Upheaval

OW0407060893

[Editorial Report] Tokyo ASAHI Television Network in Japanese at 0100 GMT on 27 June, in its "Sunday Project" program, carries a 100-minute live panel discussion. Due to recording problems the final 25 minutes of the discussion are not available. Participating in the panel discussion are Tsutomu Hata, of Shinseito (Japan Renewal Party); Masayoshi Takemura, of Sakigake (Harbinger Party); Morihiro Hosokawa, of the Japan New Party (JNP); Junichiro Koizumi, post and telecommunications minister; Shintaro Ishihara, former transport minister; Koichi Kato, former acting secretary general of the ruling Liberal Democratic Party (LDP); Taku Yamasaki, former construction minister; Toshiki Kaifu, former prime minister; Shokei Arai, representative of a group that seeks to reform the LDP; Masaaki Kosaka, professor at Kyoto University; and Takeshi Takano, chief editor of INSIDER. The panel discussion is moderated by commentator Soichiro Tawara.

Tawara begins the panel discussion with a brief overview of the current political upheaval and then asks Hata what appeal his party plans to present to voters during the upcoming general elections. Hata answers: "We have appealed for political reform—primarily, to remove the public's distrust in politics. We have appealed for political reform for quite some time. Among other things, it is important to push for political reform with an emphasis on changing the current electoral system for the lower house and on controlling political funds. This way, it would be possible to break the connection between politics and money. I think that implementing this political reform would pave the way for a new democracy to take root in our nation."

Tawara then asks Hosokawa what appeal his party is going to present. Hosokawa, speaking via a satellite relay from Oya Town, Tochigi Prefecture, says: "We founded our party with the spirit of maintaining our distance from established political parties and we will continue that spirit."

Takemura is then asked to respond to the same question, and he says: "With the end of the cold war, Japan's political landscape has changed. We should keep this point in mind. The confrontational structure between conservatives and reformists, the LDP and such opposition parties as the Social Democratic Party of Japan

(SDPJ), the Komeito, and the Democratic Socialist Party (DSP) has continued incessantly in the Japanese political scene. I think that both the LDP and the SDPJ have come close to concluding their roles. I would like to applaud the role that the LDP played in the past. It was the LDP, as the ruling party, that built up Japan to its current position."

Hosokawa is then asked by Tawara why he did not attend a summit meeting of opposition parties. He states that "many opportunities will come up for discussing each other's political beliefs and policy platforms, and I do not think that now is the time for in-depth discussions of such an important issue [formation of a coalition government] at a summit meeting."

Commenting on Hosokawa's statement, Takemura says that he received a telephone call from Hosokawa on 26 June, and he reports that they agreed to hold candid discussions. Describing Mr. Hata's moves to form a coalition government as premature, Takemura says that "concerned political parties need to discuss how to shape a blueprint for a coalition government after holding debates on key elements of Japan's foreign and security policies," adding that he wants to point that out to Hata. Ruling out the possibility of forming a short-term coalition government, Takemura stresses that "before political parties form a coalition government, a consensus on Japan's foreign, defense, and economic policies should first be shaped among them; then the political parties should look for an agreement on the immediate task [formation of a coalition government] based on that consensus."

Asked to comment on Takemura's remarks, Hata says: "As for the issue of forming a coalition government, for six years we have thought that that is what would happen if the LDP's one-party rule continued."

Asked by Tawara to comment on Takemura's remarks, Hosokawa says: "As for forming a coalition government, concerned political parties need to find a consensus in the foreign and defense policies related to national interests. They also need to work to find an agreement on the direction in which they should lead Japan in the future."

Tawara then asks Hosokawa to comment on Hata's efforts to form a coalition government. He says: "The Shinseito party led by Hata is widely viewed as a group seeking to form a coalition government, and this does not look good."

Commenting on Hosokawa's statement, Hata says that his party only intends to meet with the rest of the political parties to discuss various issues, and adds that he will seek talks with Hosokawa for a clarification of his position.

Tawara points out that according to rumors, the JNP led by Hosokawa may forge an electoral cooperation with the LDP during the upcoming general elections and he asks Hosokawa to comment on the rumors. Hosokawa

rules out the rumors and says: "Our party does not have the slightest intention to forge electoral cooperation with the LDP and to help the LDP remain in power."

Commenting on Hosokawa's statement, Takemura says that he shares Hosokawa's view and "our party aims for the nucleus of Japanese politics."

Asked by Tawara why the people think the LDP is no longer capable of running the government, Hosokawa states: "Established political parties cannot correct what has gone wrong in Japan and people outside the established political parties should provide the momentum to correct what has gone wrong in Japan. Our party will draw maintain a distance from the established political parties." Tawara then asks Hosokawa why he has come to dislike the LDP. Hosokawa answers: "The LDP is unable to display leadership as a ruling party," and he cites various shortcomings of the LDP, including factionalism.

Tawara asks Hata why he broke away from the LDP. Hata responds that the "LDP has failed to fulfill what it promised the people." Noting that although Japan is now at peace, public distrust of politics is growing, the issue of collusive ties between the LDP and business is surfacing noticeably, and the people are irritated by the government's handling of its foreign policy, Hata stresses that the "LDP has failed to deal speedily with those issues." Hata also says: "Looking at Japan's foreign policy, for example, various people handle it in various ways." He adds that the "government and the LDP are at cross-purposes on Japan's foreign policy." Hata then states that the "LDP is losing its ability to run the government."

Asked by Tawara to comment on the LDP, Takemura says: "The LDP has become dishonest. The people have the impression that the LDP is hard to understand and lacks transparency. To cite political reform—the people had high expectations for it and the opposition, which rejected political reform two years ago, had come to seriously seek a compromise with the LDP. The LDP president unequivocally promised the people that he would push for political reform, but he failed to initiate political reform. A survey showed that more than 60 percent of the LDP lawmakers favored a compromise with the opposition on changing the current electoral system." Blaming the LDP for the failure to reach a compromise, Takemura says he hopes that the LDP will try to regenerate itself, adding: "I and our party members will not return to the LDP." Takemura also stresses that "healthy political forces suitable for Japan's present situation should rally and a political system should be created to pave the way for a change in government."

Tawara next asks Kato to comment on political reform. Kato says: "Although political reform remains shelved, substantial headway has been made. What is at issue is the connection between politics and money." Stressing that substantial progress has been made in controlling political funds, Kato concedes that the LDP failed to reach an

agreement with the opposition on reforming the current electoral system. Kato also notes that the "key elements of political reform are to break the connection between politics and money and to make political funding transparent in order to prevent political corruption."

Ishihara then says: "The people do not think that all LDP lawmakers are doing well and some of them deserve to be criticized. Although Mr. Takemura's action was too hasty, we understand his feeling. However, we cannot understand what Shinseito seeks."

Responding to Ishihara's comments, Hata explains why he broke away from the LDP and notes that he has long thought that "Japanese politics would become ridiculous if left unchanged." Hata also says: "We took action with the necessity to reform Japanese politics in mind."

Kato says: "We have made mistakes on various points. For example, the prime minister had an easygoing attitude toward reforming the current electoral system, and he frankly admitted it at a news conference and offered his apology." Kato also notes that "although debates have thus far centered on reforming the current electoral system, we are now tackling the issue of how to get rid of the plutocracy, which has long been regarded as the worst aspect of Japanese politics."

Hosokawa rejects discussing what has happened in the past and emphatically states: "The conventional political system is facing a new situation. I believe that the political system, which impedes a change in government, has continued to exist for decades and that this is a crucial issue for Japanese politics. I feel that in the new situation, the political parties must have a vigorous exchange of views."

Commenting on Hosokawa's statement, Takemura says: "Debating what happened in the past will only deepen people's distrust of politics; all politicians should bear responsibility for what happened in the past."

Tawara points out that the LDP repeatedly pledged that it would reform the current electoral system and review the Political Fund Control Law but failed to fulfill its public pledge. He then asks Kato what the LDP should do to change itself. Kato answers: "What needs to change in Japanese politics is that the LDP must review its conventional method of raising political funds and the SDPJ must review its long-held ideology." He adds that the SDPJ shows no willingness to do so.

Tawara then asks Ishihara how the LDP is going to change itself. Ishihara explains that he and his colleagues are doing everything they can to change the LDP and notes: "Some LDP lawmakers are trying to formulate policies that transcend their faction affiliation." Ishihara also warns: "If LDP lawmakers fail to seriously do their utmost to change the LDP, the LDP will sink." Discussing how the SDPJ should change itself, Ishihara stresses that the "SDPJ has not changed at all."

Discussing what the LDP should do in the future, Yamasaki says: "There are three major defects in the LDP. They are the seniority system, the politics by groups of lawmakers who champion special interests [jokuseiji], and the bureaucratic politics. During this transition period, these three defects should be removed at any cost." Yamasaki also stresses the need to appoint junior lawmakers to cabinet positions.

Reportage on Scandal in Construction Industry

Industry Head Denies Knowledge

*OW0207001593 Tokyo KYODO in English 1312 GMT
1 Jul 93*

[Text] Tokyo, July 1 KYODO—The chief of a construction industry group said Thursday he will not resign despite a bribery scandal involving four major construction companies. Speaking at a press conference, Teruzo Yoshino, chairman of the Japan Federation of Construction Contractors, expressed regret at the scandal but noted that he "wants to do his job."

Yoshino, also chairman of Shimizu Corp., said he could not give up his job when the industry is now in the process of modernizing its business practices. "I'm now half-way through the industry modernization I've tried to do my best to carry out, so I would like to stay on," he said.

The mayor of Sendai and executives of four major general contractors, including a Shimizu vice president, were arrested Tuesday on suspicion of bribery. Yoshino said he was not aware of the involvement of the Shimizu vice president in the bribery scandal and stressed that it was a "personal crime."

Industry officials say the practice of letting vice presidents take responsibility for bribery is designed to save chairmen and presidents.

Minister Considers Bidding Review

*OW0207072693 Tokyo KYODO in English 0501 GMT
2 Jul 93*

[Text] Tokyo, July 2 KYODO—Construction Minister Kishiro Nakamura announced Friday he is close to ordering a review of the public works bidding system. The ministry is expected to establish a committee this month to draw up new rules for the bidding system by the end of the year.

Under the current system, only specially designated contractors are allowed to bid for public works projects. This has brought criticism from the United States that Japan discriminates against foreign construction firms in public works projects.

The Construction Ministry is also under pressure following recent revelations of unsavory ties between the construction industry and prominent politicians.

On Tuesday, the Tokyo District Public Prosecutors Office arrested Sendai Mayor Toru Ishii on suspicion he accepted 100 million yen in bribes from four construction companies. Prosecutors also arrested six executives of the companies.

This followed revelations that several construction firms also gave billions of yen to former Liberal Democratic Party Vice President Shin Kanemaru, who is facing trial on tax evasion counts.

The ministry will shortly define the committee's terms of reference and membership, but it is expected to be limited to discussion of companies to be allowed to bid for large-scale projects worth more than 1 billion yen.

The ministry will also involve officials from the Ministry of Home Affairs in the decision-making process since local governments are responsible for around 70 percent of public works projects.

Local Bodies Ban Contractors' Bids

OW0307012293 Tokyo KYODO in English 1355 GMT 2 Jul 93

[Text] Tokyo, July 2 KYODO—Eight local autonomous bodies on Friday [2 July] disqualified four major construction companies from bidding for their public works contracts because their executives were rounded up Tuesday in an alleged bribery case, officials said. The ban will last between two and five months for Shimizu Corp., Japan's largest general contractor, Hazama Corp., Nishimatsu Construction Co. and Mitsui Construction Co, they said.

Implementing the ban are the prefectural governments of Hokkaido, Tochigi, Okayama, Oita and Miyazaki, and the municipal governments of Akita, Oita and Hachioji, western Tokyo.

The Tokyo District Public Prosecutors Office on Tuesday arrested Sendai mayor Toru Ishii and eight others, including six executives of the four companies. Prosecutors suspect Ishii received 100 million yen in cash from the four companies in April 1992 in return for favors related to a public works project of the Sendai municipal government.

The local governments' action follows bans introduced by the construction and transport ministries Wednesday that will last between two and four months.

More Prefectures Join Bids Ban

OW0307093793 Tokyo KYODO in English 0848 GMT 3 Jul 93

[Text] Tokyo, July 3 KYODO—Japan's 47 prefectures will disqualify four major construction companies from bidding on public works contracts after the firms' executives were arrested for involvement in an alleged bribery case of a mayor, according to a survey released Saturday [3 July].

A total of 43 prefectures have already banned or suspended Shimizu Corp., Hazama Corp., Nishimatsu Construction Co., and Mitsui Construction Co. from bidding on their contracts. The suspensions will be in effect between two and six months, the KYODO NEWS SERVICE survey said.

The remaining four prefectures will soon impose similar punitive actions, according to the survey.

Many cities have also temporarily excluded the four companies from bidding. Two cities in Osaka Prefecture slapped a two-year-long ban on the firms, the survey said.

The Construction and Transport Ministries on Wednesday disqualified the contractors from bidding for their public works projects for between two and four months. After the alleged bribery case was revealed, some prefectures and cities canceled their contracts with the four concerns and the firms themselves turned down several biddings, according to the survey.

Prosecutors on Tuesday arrested Sendai Mayor Toru Ishii, who formally resigned from his post Saturday, and eight people including six executives in the four companies. The executives were suspected of giving bribes worth 100 million yen in cash to Ishii in April last year in return for favorable treatment in bidding on municipal public construction projects.

Mayor: Some Bribes for Legislators

OW0607074193 Tokyo KYODO in English 0654 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—The former mayor of Sendai arrested for allegedly taking a 100 million bribe has told his lawyers part of the money also was destined for some Diet members and Sendai's Municipal Assembly members. Lawyers for Toru Ishii quoted him Tuesday [6 July] as saying the money "should have gone upward and downward." Ishii, 67, resigned on Saturday as mayor of Sendai. The lawyers did not name the legislators and City Assembly members. Ishii told them he had committed the 100 million yen to Tadashi Kikuta, 61, a company president and one of Ishii's main supporters. He also has been arrested. On June 29, prosecutors apprehended nine people, including Ishii, Kikuta and executives of four major construction companies. The four concerns were suspected of paying a 100 million yen bribe to Ishii in April 1992 in return for favorable treatment on bidding for municipal public construction projects.

Hazama Executives Resign

OW0607081993 Tokyo KYODO in English 0803 GMT 6 Jul 93

[Text] Tokyo, July 6 KYODO—Three top executives of Hazama Corp., in jail in connection with a bribery scandal, officially resigned Tuesday [6 July], company officials said.

The executives are Shigeru Honda, who resigned his post as chairman, Akira Kagami, who gave up his seat as president, and Kenichi Takahashi who resigned his position as managing director.

Hazama's board of directors approved the men's resignations on Tuesday.

The executives, along with officials of three other construction companies, were arrested last week for allegedly giving a total of 100 million yen to Sendai Mayor Toru Ishii, who also has been arrested.

Hazama To Restructure

*OW0607142193 Tokyo KYODO in English 1338 GMT
6 Jul 93*

[Text] Tokyo, July 6 KYODO—Hazama Corp. officials on Tuesday [6 July] decided to restructure the company to distance themselves from the organization set up under its former chairman, Shigeru Honda, who is in jail in connection with a bribery scandal, acting President Mikio Matsumoto said.

In an emergency meeting, Hazama's board of directors also agreed to seek the cooperation of stockholders and banks in restoring the reputation of the company, Matsumoto told reporters at the Construction Ministry's press club.

In their bid to do away with the old "Honda-system," the board of directors also agreed to abolish the secretariat, the position that allegedly channeled the bribes, Matsumoto said.

Honda and two Hazama executives—President Akira Kagami and Managing Director Kenichi Takahashi—were arrested last week along with officials of three other construction companies for allegedly giving a total of 100 million yen to former Sendai Mayor Toru Ishii, who also has been arrested.

Meanwhile, Honda, Kagami and Takahashi tendered their resignations to the board of directors, which approved them on Tuesday.

"We have to respond very strictly to this incident," Matsumoto said.

All three agreed to resign so that the company could return to "business as usual as soon as possible," he said.

"Up to now, I have only caused trouble," he quoted Honda as saying. "That's why I would like to leave my post as early as possible."

Matsumoto said the resignations will not become effective immediately due to legal procedures, but "completely" ruled out the possibility that Hazama would rehire the three executives.

Stockholders To Sue Securities Firms

*OW0607152393 Tokyo KYODO in English 1450 GMT
6 Jul 93*

[Text] Tokyo, July 6 KYODO—Stockholders of Nomura, Daiwa, and Sanyo Securities Companies plan to sue former executives of the brokerages in August for reimbursement of damages caused by huge loss-compensation payments to favored clients, a lawyer said Tuesday [6 July].

Hideto Iida, a lawyer representing the stockholders, said the stockholders are demanding more than 100 billion yen in total for damages caused.

The stockholders consist of three different groups and each group will file a suit against the brokerage firms.

They will first demand that auditors of the three companies file the suit, and if they do not then the stockholders will, Iida said.

The three brokerages last year were found to have compensated losses in stock trading for large institutional clients.

The amount of loss-compensation payments made by Nomura is reported to be about 27.9 billion yen, while that of Daiwa is 25.3 billion yen, and Sanyo 5.1 billion yen.

Hayashi Urges Maximum Cuts in Expenditures

*OW0207145693 Tokyo KYODO in English 0809 GMT
2 Jul 93*

[Text] Tokyo, July 2 KYODO—Finance Minister Yoshiro Hayashi said Friday the ministry will maximize its efforts to cut expenditures as a way to reconstruct its fiscal standing.

In formulating the government's budget for fiscal 1994 and beyond, the ministry will give the highest priority to "reviewing" the size of each spending item in "an austerer manner" than in previous years, Hayashi said at a news conference. The policy was unveiled in reference to a tax revenue shortfall of 3,189.2 billion yen estimated for fiscal 1992 for the second consecutive yearly shortfall—the first since the end of World War II.

The Finance Ministry also announced the government's general account for fiscal 1992 ended in March produced a net deficit of 1,544.4 billion yen.

The government coffer is "in a very serious condition," Hayashi said, noting that study on spending priority for coming years should be done from the beginning.

Hayashi, however, did not elaborate on which areas should be cut most.

Despite the fragile fiscal standing, the government will "adamantly" refrain from placing deficit-covering bonds, the finance minister said.

The step would only leave the financial burden to future generations, Hayashi said, stressing that the government will hold firm to the "principle" of not issuing deficit-financing bonds.

Hayashi partly attributed the tax revenue deficit estimate to the estimated decline in corporate tax revenue.

Corporate earnings results were stagnant due to the government's "slow action" in stimulating the general Japanese economy, Hayashi said, explaining the pump-priming packages, released in April this year and August last year, should have been formulated earlier.

North Korea

ROK Farmers' Opposition to Clinton Visit Reported

SK0907004693 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Jul 93

[Text] According to a radio report from Seoul, the South Korean Christian Farmers' Association issued on 7 July a statement opposing the U.S. President's visit to South Korea. In the statement, this farmers' organization denounced that one of the purposes of the U.S. President's visit is to openly force South Korea to import more U.S. surplus agricultural products, including rice. The organization stressed that it will resolutely oppose the U.S. President's visit to South Korea.

KCNA Reports Farmers' Opposition

SK0907102993 Pyongyang KCNA in English 1002 GMT 9 Jul 93

[Text] Pyongyang, July 9 (KCNA)—The Christian Farmers' Federation of South Korea released a statement on July 7 opposing the projected South Korean visit of the U.S. President, a Seoul-based radio reported.

It categorically rejected his trip, saying one of its purposes is to openly demand South Korea to fully liberalize the import of rice and other surplus agricultural produce from the United States.

U.S. Soldiers' Remains To Be Returned

SK0907042193 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 9 Jul 93

[Text] The remains of U.S. soldiers will be handed over to the United States in Panmunjom. Many DPRK-U.S. military contacts about the issue of U.S. soldiers' remains have been held in Panmunjom recently, and a draft agreement on the remains of U.S. soldiers has been discussed. Our side notified the United States that the remains of 17 U.S. soldiers that had been uncovered in accordance with humanitarian measures by the republic's government would be delivered to the U.S. side.

The two sides agreed that they would hand over or take over the remains in Panmunjom on 12 July.

KCNA Reports Contacts

SK0907050193 Pyongyang KCNA in English 0436 GMT 9 Jul 93

[Text] Pyongyang, July 9 (KCNA)—A series of DPRK-USA military working-level contacts have taken place recently at Panmunjom on the problem of remains of U.S. soldiers.

At the contacts, a draft agreement on the problem was discussed.

At the contacts, the DPRK notified the U.S. that it would transfer the remains of 17 American soldiers discovered in accordance with a humanitarian measure of the DPRK Government.

The sides agreed upon the transfer of the remains at Panmunjom on July 12.

Foreign Embassy Officials Visit Panmunjom 7 Jul

SK0807050793 Pyongyang KCNA in English 0437 GMT 8 Jul 93

[Text] Pyongyang, July 8 (KCNA)—Economic and trade officials of foreign embassies in Pyongyang visited Panmunjom Wednesday [7 July] on the threshold of the 40th anniversary of the victory of the Korean people in the great fatherland liberation war.

They went round the Room of Armistice Talks and the Conference Room of the Military Armistice Commission, hearing an explanation about the brilliant victory won by the Korean people and People's Army in the fatherland liberation war under the wise leadership of the great leader President Kim Il-sung.

After the visit, the trade councillor of the Cuban Embassy said he was sure that Korea would be reunified independently and peacefully in accordance with the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader Comrade Kim Il-sung. They also saw the concrete wall built in the area south of the Military Demarcation Line (MDL). The economic councillor of the Chinese Embassy said the concrete wall was a barrier of division bisecting one Korea and one nation. "We fully support the cause of national reunification of the Korean people," he stated.

The embassy officials drove to the Pakyon falls in the suburb of Kaesong.

KCNA Views Report on South Military Buildup

SK0907103093 Pyongyang KCNA in English 1004 GMT 9 Jul 93

[Text] Pyongyang, July 9 (KCNA)—The South Korean puppet Defence Ministry, talking about the experience in the Gulf war, announced on July 6 that the puppet airforce and navy would be increased respectively by 4,000 men and high-performance fighter planes of new

types and other sophisticated combat equipment be introduced, a Seoul-based radio reported.

This fully shows that the South Korean authorities are still resorting to military buildup, while ignoring the North-South agreement in which the sides promised nonaggression and seeking a war against the North.

Union Federation Supports ROK's Hyonchongnyon

SK0907051493 Pyongyang KCNA in English 0414 GMT 9 Jul 93

[Text] Pyongyang, July 9 (KCNA)—If the South Korean "regime" is to be a true "civilian government," it must lend an ear to the demand of the workers, shape a policy conforming to their interests, not defending the interests of a handful of employers with the fascist sword, and must stop the fascist suppression of the labour movement at once and release the arrested workers unconditionally, says the spokesman of the Central Committee of the General Federation of Trade Unions of Korea in a statement on July 8.

Noting that the workers of all the companies under the Hyundai Business Group have turned out in the struggle for the right to existence and democracy in South Korea at the call of the General Federation of Trade Unions of the Hyundai Business Group (Hyonchongnyon), the statement notes that this is an inevitable result of the unjust labour policy of the present "regime".

It said:

The South Korean chief executive summoned bosses of businesses to "Chongwadae" on July 2 and made remarks threatening workers and, accordingly, the prosecution and police forces cracked down on the workers and raised a row to arrest Chairman of Chonnohyop [National Council of Labor Unions] Tan Pyong-ho and other dissident labour activists and members of the executive of Hyonchongnyon. This is an insult to the workers who rose up in the just struggle and a wanton violation of democracy.

The present South Korean "regime" stripped itself bare as one little different from the preceding military fascist "regime" by taking a vigorous action against Hyonchongnyon.

The statement expressed full support to the just struggle of the South Korean workers.

Unions Express Solidarity With Korean People

SK0807110793 Pyongyang KCNA in English 1011 GMT 8 Jul 93

[Text] Pyongyang, July 8 (KCNA)—The World Federation of Trade Unions [WFTU] published an appeal on June 30 on the month of international solidarity with the Korean people.

The manoeuvres of the imperialists against the Democratic People's Republic of Korea are rendering the situation strained, the appeal said, and went on:

"The World Federation of Trade Unions calls upon the world peace-loving people and its affiliated organisations to express firmer solidarity on the month of solidarity with the Korean people.

"The WFTU demands the withdrawal of all the foreign forces from South Korea, the establishment of a nuclear-free zone on the Korean peninsula and the peaceful reunification of Korea."

The African Regional Committee of Friendship and Solidarity with the Korean people made public an appeal to the African National Committees for Friendship and Solidarity with the Korean people and the African National Committees for supporting Korea's reunification on June 23.

The appeal called upon the African National Committees for Friendship and Solidarity With the Korean People and the African National Committees for Supporting Korea's Reunification To Reaffirm Support to the 10-point programme of the great unity of the whole nation for the reunification of Korea and express solidarity with the Korean people who have risen up for its realisation, on the occasion of the month of international solidarity with the struggle of the Korean people.

DPRK-Cuba Solidarity Month Opens in Pyongyang

SK0907030693 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 6 Jul 93

[Text] An opening meeting of the month of solidarity with the Cuban people to mark the 40th anniversary of the Cuban people's 26 July armed uprising was held at the Central Workers' Hall on 6 July. Displayed at the meeting site where the national flags of Korea and Cuba hung were slogans reading, "Long live the Cuban people's 26 July armed uprising!" and "Long live the indestructible militant friendship between the Korean and Cuban people!"

Invited to the meeting were Juan Jose Leon Vega, ambassador of the Republic of Cuba to our country; personnel of the Cuban Embassy, and the Cuban guests sojourning in our country. Attending the meeting were Chu Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea, Choe Hyon-tok, vice chairman of the Central Committee of the League of Socialist Working Youth of Korea and vice chairman of the Korea-Cuba Solidarity Committee, other functionaries of relevant sectors, and the working people in Pyongyang.

The meeting began with the playing of the national anthems of the Republic of Cuba and our country. Kim Chin-pom, vice chairman of the Korea-Cuba Solidarity Committee, delivered a speech at the meeting. He

referred to the attack on Moncada barracks 40 years ago by the Cuban revolutionaries headed by the respected Comrade Fidel Castro Ruz and said that this was a historic event which placed the Cuban people's revolutionary struggle onto a new higher plane. He noted that every year a month of solidarity with the Cuban people is set aside in our country to celebrate this historic day with various events. He said that these events helped consolidate the ties of friendship between the peoples of the two countries and further strengthen the militant solidarity which has been formed on the road of joint struggle.

He said that the Cuban revolution which was pioneered and led by Comrade Fidel Castro, supreme leader of the Cuban revolution, gave birth to the first socialist state in the Western Hemisphere and has turned the land of Cuba into the island of freedom where the centuries-old desire and ideal of the people are blooming in reality. He then referred to the fundamental change made in Cuba's appearance after the victory of the revolution.

He said that the fraternal Cuban people are bravely overcoming the difficulties they run against according to the strategy of the special period of peace time, making great progress in the struggle to implement the decision of the Fourth Party Congress under the slogan "Let us defend the fatherland, the revolution, and socialism." He said that we are as pleased with the successes which the fraternal Cuban people have attained in building new society as we are of our own achievements and expressed firm solidarity with the Cuban people in their just cause of firmly defending the gains of socialism and the cause of socialism, getting the U.S. forces withdrawn from Guantanamo, and consolidating peace in Central America and Caribbean region, frustrating the antisocialist moves and anti-Cuban offensive of the imperialists.

He stressed that our people hold dear the particular intimacy and the relations of revolutionary obligations [hyongmyongchok uiri] established between the great leader Comrade Kim Il-song and the respected Comrade Fidel Castro Ruz. He stressed that the dear leader Comrade Kim Chong-il has always paid deep attention to further strengthening and developing friendship and solidarity between the two peoples firmly united by revolutionary obligation and faith in socialism.

He said that our people will also advance in close unity with the fraternal Cuban people in the future under the banner of socialism and make all efforts to develop the friendly and cooperative relations between the two countries.

Ambassador Juan Jose Leon Vega spoke next. He first referred to the establishment of the month of solidarity with the Cuban people as the significant time when the Korean people commemorate the 40th anniversary of the victory in the Fatherland Liberation War and when the Cuban people commemorate the 40th anniversary of the attack on the Moncada barracks. He said that all the

Korean people—soldiers, workers, peasants, intellectuals, men and women—rose up all across the country and won victory in the Fatherland Liberation War under the leadership of their great leader Comrade Kim Il-song. He stressed that this victory was not only that of the Korean people but also that of the progressive people of the world.

He said that Cuba and Korea have the duty to adhere to the ideals of socialism in a difficult time and that the peoples of the two countries who have great parties and great peoples and uphold the great leader Comrade Kim Il-song and the Supreme Commander Comrade Fidel Castro Ruz will certainly win victory.

He said that Cuba has always supported and will support the Korean people's just cause of achieving independent and peaceful reunification of the country. Saying that the 10-point program of the great unity of the whole nation for the reunification of the country which was worked out by Comrade Kim Il-song is the basis for realizing the desire of all the Korean people, he expressed full support for it.

He said that the South Korean authorities should take a prudent and responsible attitude to incur no further sufferings of division to the nation.

He said that Cuba has been denouncing the U.S. forces stationed in the southern part of the Korean peninsula and has been calling for their complete withdrawal. He said that the Cuban people are pleased at the successes attained in the talks between the DPRK and the United States of America.

He expressed the firm conviction that the Korean people would soon achieve the reunification of the country, which is their ardent desire, under the leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The meeting ended with the chorus of the song "International."

Vice President Meets Ethiopian Envoy

*SK0907044293 Pyongyang KCNA in English 0407
GMT 9 Jul 93*

[Text] Pyongyang, July 9 (KCNA)—Vice-President Yi Chong-ok met and conversed with Ethiopian Ambassador to Korea Haile Mikael Fantahun at the Mansudae Assembly Hall Thursday [8 July] when the latter paid a farewell call on him.

Vice-Minister of Foreign Affairs Chang Song-kil was present there.

African Presidents Visit Korea Exhibit in Tanzania

*SK0907102893 Pyongyang KCNA in English 1001
GMT 9 Jul 93*

[Text] Pyongyang, July 9 (KCNA)—Tanzanian President Ali Hassan Mwinyi and Ugandan President Yoweri Kaguta Museveni on July 3 visited the Korean Commodity Exhibition Hall of the 17th Dar-es-Salaam International Trade Fair.

The presidents saw round with deep attention Korean machine tools and light industrial goods on display.

After seeing round the exhibition, President Ali Hassan Mwinyi wrote that he was deeply moved to see exhibits of the Democratic People's Republic of Korea, and President Yoweri Kaguta Museveni wrote that Korea has made a great progress in the economic construction in the last four decades since the ceasefire.

Meeting Marks Students' Joint Declaration Anniversary

*SK0707222893 Pyongyang KCNA in English 1514
GMT 7 Jul 93*

[Text] Pyongyang, July 7 (KCNA)—A meeting of Pyongyang students was held today to mark the 4th anniversary of the publication of a joint declaration of students of the North and the South.

This declaration was adopted between the Korean Students Committee and the National Council of Student Representatives of South Korea during the 13th World Festival of Youth and Students held in Pyongyang in 1989.

Ho Chang-cho, chairman of the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), and representatives of youth of various strata, in their speeches elaborated on the achievements made in the national reunification movement of students after the publication of the joint declaration.

The speakers said that youths and students should intensify the struggle to carry into practice the joint declaration.

The youth and students in the North should become a vanguard in the struggle to accelerate the national reunification by the united efforts of the fellow countrymen on the principle of national independence in hearty response to "10-point programme of the great unity of the whole nation for the reunification of the country", the speakers stressed.

They declared that they, firmly standing on the side of the South Korean students, would make an active contribution in the future, too, to the accomplishment of the historical cause of national reunification in the 1990s without fail.

A letter to the one million students under the South Korean federation of general student councils (Hanchongnyon) was adopted at the meeting.

The letter reaffirms the need to keep a tighter hold on the three principles of national reunification— independence, peaceful reunification and great national unity—under the fast-changing situation at home and abroad.

The letter calls on the students in the North and the South to smash with an uncompromising joint struggle the anti-national acts of the South Korean authorities who are begging for "international sanctions" against fellow countrymen over the fictitious "nuclear problem" of the North while keeping mum about the nuclear problem of outside forces threatening the existence of the Korean nation.

It calls on the students in the two parts to vigorously fight to frustrate the anti-national separatist acts of the South Korean authorities who are dreaming of "unification by absorbing the North", insensible to the trend of the times, and achieve reunification through confederation.

It calls on them to build a strong driving force of the reunification movement in firm solidarity with all patriotic forces desirous of great national unity and reunification and play a vanguard role.

The students in the North and the South should defend these organisations from the suppression by the "fascist civilian government" of South Korea with concerted efforts, the letter says, expressing the hope that the one-million students in the South will undauntedly fight to defend their organisations and strengthen the student movement for national reunification.

Kim Yong-nam Meets New PRC Commission Member

*SK0807043893 Pyongyang KCNA in English 0421
GMT 8 Jul 93*

[Text] Pyongyang, July 8 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam met and had a talk with Lu Guangye, newly-appointed member of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission, who paid a courtesy call on him Wednesday [7 July].

Banquet Marks Anniversary of DPRK-PRC Treaty

*SK0907060493 Pyongyang Korean Central
Broadcasting Network in Korean 1500 GMT 8 Jul 93*

[Text] On the occasion of the 32d anniversary of the DPRK-PRC Treaty for Friendship, Cooperation, and Mutual Assistance, the DPRK-PRC Friendship Association Central Committee and the Korean Committee for Cultural Relations with Foreign Countries on 8 July arranged a banquet in Ongnyugwan.

Invited to the banquet were (Ying Gugye), the PRC charge d'affaires to our country, the embassy staffs and other Chinese guests.

Deputy Premier Chang Chol; Yi Cha-pang, chairman of the DPRK-PRC Friendship Association Central Committee and chairman of the State Commission of Science and Technology; Kim Yang-kon, deputy director of a department of the Workers Party of Korea [WPK] Central Committee; Chong Chang-yol, vice minister of the People's Armed Forces; Cha Pong-chu, vice foreign minister; Chon Yon-ok, vice chairman of the Korean Committee for Cultural Relations with Foreign Countries, and other personages concerned, attended the banquet.

Chairman Yi Cha-pang made a speech at the banquet.

He said that conclusion of the DPRK-PRC Treaty for Friendship, Cooperation, and Mutual Assistance signed on 11 July 1961 was an important event in strengthening and developing the DPRK-PRC friendship, which was forged with blood, into a new higher stage.

He stressed that the people in two countries deepened and developed the friendship and cooperative relations between the two countries in various domains for the past 32 years since the treaty was signed and effected a great advance in the revolution and construction was made. Thus, they made great contributions to safeguarding peace in Asia and the world.

He pointed out that the Chinese people today attained social and political stability and accelerated modernization of the country under the leadership of the Communist Party of China [CPC] with esteemed Comrade Jiang Zemin as the core. They made great achievements in the struggle to build socialism characteristic of China.

Stating that the international dignity of the PRC is being enhanced with each passing day, he said that we are pleased with the excellent achievements that the Chinese people are making in the work for prosperity and development of the nation. He wished the Chinese people brilliant success in the struggle to carry out the tasks put forward by the first session of the Eighth National People's Congress and to unify the whole country according to the policy of one state and two systems.

He emphasized it is the invariable will and desire of the people of the two countries to consolidate and develop the traditional DPRK-PRC friendship. The great DPRK-PRC friendship, which has been bloomed and firmly consolidated amid the struggle for socialism and against the common enemy, was provided and has been fostered by the leaders of the two countries. Therefore, this friendship has been deeply cherished in the hearts of the Korean and Chinese people, and is continuously developing.

He said that we will remain faithful to the sense of obligation [uiri] by treasuring the DPRK-PRC friendship which was forged with blood. We will make active

efforts to further strengthen the friendship and unity between the people of the two countries in the struggle to safeguard, protect and advance the socialist cause.

Next, charge d'affaires (Ying Gugye) made a speech.

He noted that conclusion of the PRC-DPRK Treaty for Friendship, Cooperation, and Mutual Assistance recorded a brilliant chapter in history of friendship between the PRC and the DPRK and that this treaty demonstrated the common will and resolution of the people in the two countries to strengthen and develop the unity and friendship and to safeguard peace. He stressed that the treaty legally guaranteed the constant deepening and development of PRC-DPRK friendship.

He pointed out that thanks to joint efforts of two countries, the PRC and the DPRK have carried out a broad range of exchanges and close cooperation in various domains, including political, economic, cultural and scientific and technological. Thus, they have attained abundant achievements and effectively promoted the cause of socialist economic construction in the two countries.

He said that the Chinese people are very pleased with this, and wished that the flower of PRC-DPRK friendship and cooperation will bloom more brilliantly and will bear rich fruition.

Stating that the DPRK is a neighboring ally of China's socialism, he said that the friendly Korean people attained achievements that attract attention of world people in the struggle to build Korean-style socialism by demonstrating the revolutionary spirit of self-reliance and arduous struggle and by upholding the banner of the three revolutions—ideological, technological and cultural—under the leadership of Comrade President Kim Il-song, their great leader.

He noted that the Korean people, upholding Comrade President Kim Il-song's New Year address this year and slogans of the WPK Central Committee announced in May, registered a new productive upsurge on all fronts of socialist construction. He said that they are indeed pleased with achievements made by the Korean people. He wished the Korean people a new greater success in the revolution and construction in the future, too.

He emphasized that the Korean people today are actively struggling to achieve the nation's independent reunification by unanimously upholding the 10-point program of great national unity of the whole country for the reunification of the fatherland which Comrade President Kim Il-song put forward in the fifth session of the Ninth Supreme People's Assembly.

He said that the Chinese party, government and people consistently support the Korean people's just struggle for the independent and peaceful reunification of the fatherland. They support a series of calls of the Korean party and government for easing tension on the Korean peninsula, for improvement of North-South relations and

for national reconciliation. They also support all active efforts of the Korean Government to realize the denuclearization of the Korean peninsula. He said he believes that the Korean people will achieve national reunification without fail by removing all obstacles blocking the Korean people's road for reunification.

He pointed out that the people in the two countries forged deep and close revolutionary friendship amid the long revolutionary struggle by supporting and helping each other and that this friendship is very precious and has strong vitality.

He emphasized that no matter how fast the world's situation may change, the Chinese party and government will make all efforts, as in the past, to constantly consolidate and develop the great friendship.

The participants in the banquet toasted to everlasting and immortal friendship and unity between the people of the DPRK and PRC; to good health and long life of the great leader Comrade Kim Il-song; to good health and long life of the dear leader Comrade Kim Chong-il, and to good health and long life of esteemed Comrade Jiang Zemin and of other Chinese leaders.

Reception Marks Treaty

SK0907051593 Pyongyang KCNA in English 0422 GMT 9 Jul 93

[Text] Pyongyang, July 9 (KCNA)—The Central Committee of the Korea-China Friendship Society and the Committee for Cultural Relations With Foreign Countries arranged a reception at the Oknyu restaurant on July 8 on the occasion of the 32nd anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

In his address, Yi Cha-pang, chairman of the State Commission of Science and Technology and chairman of the Central Committee of the Korea-China Friendship Society, said that the Chinese people have made enormous achievements in their endeavours to achieve socio-political stability, step up the modernisation of the country and build socialism with Chinese characteristics under the leadership of the Communist Party of China with respected Comrade Jiang Zemin as the core.

The Korean people rejoice over the excellent achievements made by the Chinese people in the work for the development and prosperity of the country and wish them brilliant success in their efforts to fulfil the tasks set forth at the 14th National Congress of the Communist Party of China and the 1st session of the 8th National People's Congress and reunify the whole country according to the policy of "one country, two systems", the speaker said.

He declared that the Korean people would value the Korea-China friendship forged in blood, remain loyal to their obligations and make energetic efforts to further

strengthen friendship and unity between the two peoples in the struggle to defend and advance the cause of socialism.

Ning Fukui, charge d'affaires ad interim of the Chinese Embassy in Pyongyang, said in his address that the fraternal Korean people have registered world-startling achievements in the struggle to build Korean-style socialism by displaying the revolutionary spirit of self-reliance and hard struggle under the guidance of their great leader Comrade President Kim Il-song, upholding the banner of the three revolutions, ideological, technical and cultural.

The Chinese party, government and people, he noted, have consistently supported the just struggle of the Korean people to achieve the independent and peaceful reunification of the country, a series of reasonable propositions of the Korean party and government for the relaxation of the tensions on the Korean peninsula, for the improvement of North-South relations and for national harmony, and all the active efforts of the Korean government for the denuclearization of the Korean peninsula.

The Chinese party and government will as ever make every possible effort to constantly consolidate and develop the great friendship between the two countries, whatever dramatic change the world situation may undergo, he declared.

Marine Delegation Returns From Mongolian Visit

SK0807091893 Pyongyang Korean Central Broadcasting Network in Korean 1504 GMT 6 Jul 93

[Text] A DPRK Marine Transport Ministry delegation led by Vice Minister Choe Chun-yong flew home by plane on 6 June after visiting Mongolia. Na Tong-hui, chief of staff of the Ministry of Marine Transport, and the Mongolian ambassador to our country greeted the delegation at the airport.

Meeting Commemorates Mongolian Independence

SK0807044793 Pyongyang KCNA in English 0420 GMT 8 Jul 93

[Text] Pyongyang, July 8 (KCNA)—A friendship meeting was held at the Korea-Mongolia Friendship Pyongyang Songyo Senior Middle School No. 1 Wednesday on the occasion of the 72nd anniversary of the people's revolution in Mongolia.

Invited there were Mongolian Ambassador to Korea (D. Gongaadorj) and his embassy officials and Mongolian students studying here.

Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Mongolia Friendship Association, other officials concerned and teachers and pupils of the school were present.

The participants appreciated a performance of the art circle members of the school and enjoyed sports and amusement games.

Exhibit, Films Mark Anniversary

*SK0907045793 Pyongyang KCNA in English 0409
GMT 9 Jul 93*

[Text] Pyongyang, July 9 (KCNA)—A photo exhibition and a film show were arranged here Thursday on the 72nd anniversary of the Mongolian people's revolution.

Present there were Minister of Finance and Chairperson of the Korea-Mongolia Friendship Association Yun Ki-chong, Vice-Chairperson of the Committee for Cultural Relations With Foreign Countries Chon Yon-ok, Mongolian Ambassador to Korea (D. GONGAADORJ) and his embassy officials and Mongolian students studying here.

The participants saw the pictures on display and appreciated a Mongolian feature film.

Kim Chong-il Thanks Army Unit Officers, Employees

*SK0807110993 Pyongyang KCNA in English 1022
GMT 8 Jul 93*

[Text] Pyongyang, July 8 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks of the supreme commander to the officers, non-commissioned officers, employees and their families belonging to the Pak Chol-hwan unit of the Korean People's Army who are bringing up 17 orphans.

The officers, non-commissioned officers and employees of the unit and their families went to South Hamgyong, Yanggang and three other Provinces from mid-March and brought 17 orphans to their home with the help of officials of local party, administrative and economic organs.

They are educating the orphans to be the pillars who defend the respected supreme commander at the cost of their lives like the first and second generations of the revolution.

KCNA Describes Korean War Veterans' Achievements

*SK0807111093 Pyongyang KCNA in English 1028
GMT 8 Jul 93*

[Text] Pyongyang, July 8 (KCNA)—Korean war veterans are spending their days with innovations, powerfully rousing the working people to feats on the threshold of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

They are still living as in those days when they were fighting on the front lines. Out of the single desire to add brilliance to the socialist homeland which they defended at the cost of blood, they visit industrial establishments,

construction sites, cooperative farms and People's Army units and conduct economic agitation and give a helping hand to them.

War veterans in Songnim City go out to the Hwanghae Iron and Steel Complex, perform art pieces they have prepared and help the furnacemen to effect innovations in iron and steel production.

At the Anju District Coal Mining Complex war veterans go into underground cutting faces to congratulate miners on their results and sing war songs, thus rendering service in the increased production of coal.

War veterans in Haeju, Sariwon, Anak County and Chongju County and many other cities and counties have formed aid teams and are helping nearby cooperative farms in farming.

The construction sites of 30,000 flats and the monument to the victory in the Fatherland Liberation War in Pyongyang are visited by an increasing number of war veterans. The war veterans call at the construction sites in their military uniforms of bygone days with orders and medals on the chests. They hand gifts to constructors and spend fruitful days, working with them and greatly encouraging them. Among them are 20 women veterans living in Nampo Municipality. They visit industrial establishments and cooperative farms and people's army posts across the country and give performances based on true stories combined with economic agitation and war songs. In the last 10 years, they have encouraged more than 500,000 working people at over 500 units.

War veterans call at people's army units and congratulate the soldiers on their successes in their combat and political training, tell them about the battles they fought during the Fatherland Liberation War and inspire them to reliably guard the defence lines of the country.

Appearances of 'Star of Guidance' Detailed

*SK0907031693 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 6 Jul 93*

[Text] Just as legends of the star of the general were being spread during the anti-Japanese struggle, legends of the star of guidance are being disseminated broadly among the South Korean people and overseas Korean compatriots.

The legends are well grounded in factual materials showing extraordinary wisdom, keen insight of clairvoyant, unparalleled braveness, and lofty humanity of the legendary hero, who is a great legendary man of our time that Korea produced. Most of them began to be spread by South Korean people, who are impatiently longing for the happy life in the reunified fatherland with the great man of the century, whom they will have to trust and follow as the nation's star of guidance. They have also been spread among overseas Korean compatriots and conveyed to our people by compatriots visiting the socialist fatherland.

Holding our nation's endless honor, the legends of the star of guidance are being spread among all fellow countrymen. The theme of many legends—including "Star of guidance with magical arts," "Beams of the star of guidance that smashed a wicked scheme," "Picture of the great man," and "White tiger in Mt. Taebaek"—is admiration of and trust in the great general, the great legendary man.

The legend "Matchless General," which is based on a true story that happened at Panmunjom several years ago, began to be spread by South Korean puppet soldiers.

One day several years ago, after receiving a report from his men that they had seen three people who seemed high-ranking at the North's side area in Panmunjom, the chief guard at the Joint Security Area [JSA] in Panmunjom attempted to begin a shock provocation against them. The number of security guards mobilized in a hurry for the provocation at the JSA in Panmunjom was four or five times as many as usual.

When they were busy storming through the area, a young man who looked high-spirited and dignified suddenly appeared at the second floor balcony of Panmungak and looked at them for a while. He then lifted a small bar in his hand and drew a line with it downward in the air. At that moment, a milky white fog gathered and cleared up the next moment. What surprised them was the sudden disappearance of all the People's Army military policemen and the people in civilian clothes, who had stood in strain watching them just a moment ago.

The chief guard, who confirmed the mysterious phenomena at the scene right after receiving his men's report, let the security guards withdraw quietly, probably because he felt ashamed.

The young man, however, appeared again on the second floor balcony of Panmungak. When he lifted the bar and drew a line with it downward in the air, a fog gathered and cleared up again. All of the People's Army military policemen, who had gone out of sight, appeared again. When the security guards gathered again, a whirlwind blew and wound them upward and the People's Army military policemen disappeared again.

The security guards were greatly astonished again and ran away into their wards in fear as soon as they received a command for withdrawal. At that time, the People's Army military policemen appeared again as it suddenly became dark for a moment and then light again.

The chief guard, in a fit of anger, forced the security guards, who were too startled to be willing to go out of their wards again, to move out by threatening them with a rifle, and he himself also ran to the JSA. Again this time, however, the People's Army military policemen all disappeared in the sudden dark shortly followed by the light.

The chief guard came to be aware that he and his men were being ridiculed. He ordered the security guards to

stay there and shoot the People's Army military policemen on sight if they appeared again. When they were ready to shoot, the People's Army military policemen did not appear. All that they could see then was people in civilian clothes walking to the JSA while listening to the explanation by one of the People's Army side's members of the Military Armistice Commission. The chief guard shouted at the security guards, who were hesitating, to shoot the people. They pulled the triggers of their rifles, but no bullets fired. It seemed that their weapons were out of order.

At that time, an extremely delightful laughter resounded from the sky, which was followed by a loud scolding which said: You scoundrels are truly foolish and miserable because you are rushing about madly, without knowing that the distinguished general, the foremost in the world [chonhaejil myongjang], who is renowned as the star of guidance, has come to Panmungak and is playing magic. The guards trembled, and their leader fainted. The story in which the scoundrels were extremely frightened was instantly spread among the enlisted men across South Korea.

Meanwhile, even though it is a little different region by region in South Korea, the legend entitled "Royal Guards of the Star of Guidance" is based on the story that the reporters of the northern half of the republic, who had come to Seoul to cover the third North-South high-level talks in December 1990, visited the house of the student Yim Su-kyong, the flower of reunification. A day before the North side's delegation to the North-South high-level talks came to the South, various South Korean agencies for suppression had a meeting and a man called the deputy director of the Agency for National Security Planning [NSP] delivered a long speech at the meeting. In the speech, he gave an instruction to prevent the delegates, delegation members, and reporters from the North side from meeting anyone other than the delegates and delegation members from the South side. And, a tight surveillance and security system was established.

When the North side's delegation arrived, to thoroughly isolate it according to their scenario, the scoundrels had it stay on the top floor of Hotel Shilla, surrounded the hotel with special agents of various agencies for suppression and the police, and had numerous agents—who wore an arm band on which the word "guide" was inscribed—be on strict watch inside the hotel. Nevertheless, at 1000 on 12 December, not one but five reporters of the North side disappeared secretly, and the security people received an urgent instruction to find them immediately. So, they came out of the hotel and prowled about streets.

The scoundrels followed the reporters of the North side while seeing them talking with people, taking cabs, and going to a subway station. However, the scoundrels failed to catch the reporters each time for no understandable reason. The scoundrels, who failed to catch the reporters of the North side, learned that the reporters

had appeared at 296 Pyongchang-tong, entered the house of the student Yim Su-kyong, who had been detained in prison, talked with the student's parents, had a meal, and left the house. Even the policemen who had been watching the house around the clock were sleeping at that time. This was truly surprising.

The scoundrels were dumbfounded. Then, an old man who had a dignified look appeared out of the blue sky as if it were a dream and said: Stop it! It is useless. Those reporters are royal guards of the star of guidance who learned various tricks from the star of guidance, who is renowned in the world.

Then he disappeared. The scoundrels now realized that they could not do anything because of the tricks.

Meanwhile, the legend entitled "Wreath of the Star of Guidance" was based on the fact that the head of the DPRK women's delegation, which went to Seoul in November 1991 to attend the Second Forum on Peace in Asia and the Women's Role, visited the grave of her father, Yo Un-hyong, for the first time in 40-odd years and laid a wreath before the grave. The big wreath, which the great leader sent benevolently in memory of the patriot who had been assassinated long ago, appeared out of the blue sky. It was fresh although it was winter, and it appeared out of the blue sky without the knowledge of the NSP agents who can smell better than hunting dogs. This can only be understood to be a legend.

The night before the women's delegation left, the great leader gave the wreath, 1.5 meters in diameter, to the head of the delegation to lay it before her father's grave in his name. The head of the delegation, who received the valuable wreath, was worried, because she could not find a way to carry the wreath to the place, where security is tight, on a winter cold day.

The legendary star of guidance, who learned of her worry, had the wreath contained in a specially made big wooden box, made the box look small by using a magical trick, and shone warm sun rays all along to ensure that the flowers not be frozen.

Consequently, the laying of the wreath was the work of the star of guidance.

The legends which are joyfully spread among people admirably state that the legendary star of guidance is Comrade Kim Chong-il, the legendary great man of our era and the legendary hero to whom Korea gave birth, and are consistently filled with boundless admiration and trust for the great leader [yongdoja].

Just like the legends of the star of the general, which gave the 20 million fellow countrymen hope for the fatherland's liberation, the legends on the star of guidance have become heroic legends that gave the 70 million fellow countrymen the belief that the fellow countrymen, who have nothing to envy or fear in the world because they are upholding the legendary great man as the great leader

[yongdoja], will achieve the fatherland's reunification and be prosperous eternally.

Children Provided Regular Supply of Bean Milk

SK0907005993 Pyongyang Radio Pyongyang in Korean to South Korea 0940 GMT 28 Jun 93

[Text] The great leader Comrade Kim Il-song has taught:

Our country particularly treasures new generations who will represent the future of our society more than anyone else. It is directing all forms of care to them so that they can grow up in happiness, free from the social evils that exists in exploitative societies.

Daily activity schedules of kindergarten children and daily class schedules of people's schools and high schools in the northern half of the republic include a special hour unprecedented in mankind's educational history. It is the hour of joy reserved for drinking bean milk. At this hour every day, children and students drink delicious and highly nutritious bean milk.

This bean milk was provided under the great love and care which the dear leader Comrade Kim Chong-il bestows in person upon growing new generations in order to bring up them more healthily and strongly. This bean milk is supplied to children everyday for their growth and health to which their parents fail to pay proper attention. The hour for drinking bean milk was chosen in order to feed children at the most opportune time for nutrition absorption. Our children and students are growing up rapidly on this bean milk offered all year round.

Bean milk is normally offered to hundreds of thousands of children and students in Pyongyang alone. Cha Ok-hui, head of the Pyongyang Central District Material Supply Station for Nursery and Kindergarten, says:

The dear leader comrade not only built a modern bean milk production base but also provided 10,000 specially made bean milk containers and some 40 modern refrigerator milk carriers in order to timely offer bean milk to children. Our station operates three carriers to carry bean milk three times a day to nurseries, kindergartens, people's schools, and high schools in our district. All nurseries, kindergartens, and schools have milk distribution stations. Professional bean milk distributors serve in these stations. The stations are equipped with full facilities to supply children with warm milk in the winter and cool milk in the summer.

At the hour for drinking bean milk, all children alike drink bean milk of love. This is one aspect of a happy life of children and students in the northern half of the republic, who enjoy the benefits of free education and free treatment, learn to their satisfaction, and grow up free from any worries.

South Korean children have the hour of sorrow, unlike children in northern half of the republic. This refers to the lunch time for children and students in the South,

who cannot afford to have meals. Some 7,000 primary school pupils in South Korea are said not to have lunch. The South Korean papers inform that the actual number of pupils who do not have lunch far exceeds this figure.

During the lunch time, South Korean pupils slip out of their classrooms and loiter in the playground to divert their mind from hunger. This is why schools in the South call lunch time the hour of tears.

Poor children who go begging or do day labor number 130,000 in Seoul alone. A great number of children starve to death and die of illness. Given all of South Korea, the number is beyond our imagination.

While all children and students in the northern half of the republic enjoy a happy life and grow up rapidly on nutritious food, bean milk, and free from all kinds of social evils, South Korean children and students find it difficult to have three meals a day and moan with hunger and illness. How different realities these are!

The contrast between the hour of joy for drinking bean milk and the hour of tears of sorrow makes us understand the following facts better: We have the most superior socialist system in the world, which has everything to serve the people and spares nothing for growing new generations; and South Korean society is a rotten one characterized by the almighty dollar principle in which money decides everything.

KCNA Reviews 9 Jul Pyongyang Press

*SK0907051093 Pyongyang KCNA in English 0434
GMT 9 Jul 93*

[Press review]

[Text] Pyongyang, July 9 (KCNA)—Papers here today carry a message of thanks President Kim Il-song of the Democratic People's Republic of Korea received from Zimbabwean President Robert G. Mugabe who had paid an official goodwill visit to Korea.

Reminiscences of the great leader President Kim Il-song "with the century" was reported in different countries, says NODONG SINMUN.

The paper rounds up voices of the world public highly praising President Kim Il-song as a genius of ideology and theory who founded the immortal *chuche* idea.

"Abuses of socialism are intolerable", a work of the dear leader Comrade Kim Chong-il, was published in booklet in Yugoslavia, according to the press.

Printed in NODONG SINMUN are "To the Dear Leader Comrade Kim Chong-il" and "Mt. Paektu and Chong-il Peak", poems written by Just Kyeyune, chief of the group for the study of the *chuche* idea of Comrade Kim Il-song of higher middle school of old Kampala, Uganda, and by Peruvian poet Mario Luna, in high praise of Comrade Kim Chong-il.

An article of the paper says that Comrade Kim Chong-il energetically led the work of popularizing sports and making it an inseparable part of life.

The Central Committee of the Workers' Party of Korea sent a message of greetings to the 44th convention of the Socialist Party of Ecuador, says the paper.

NODONG SINMUN and MINJU CHOSON run editorials under the respective titles "Let Us Bring Beautiful Trait of Unity Between Army and People Into Full Bloom" and "Let Us Thoroughly Apply the Revolutionary Work Method of Our Party".

MINJU CHOSON in an article stresses that it is a fundamental requirement of the people's power building to strengthen the people's power from the *chuche*-based stand.

Econews of the press includes reports that agricultural working people are tending paddy and non-paddy fields with care.

NODONG SINMUN gives an account of a party given on the occasion of the 32nd anniversary of the signing of the Korea-China treaty of friendship, cooperation and mutual assistance.

The press informs the readers that multi-part feature film "The Nation and Destiny" (part 15) was released.

Tanzanian and Ugandan presidents visited the DPRK commodity exhibition of the 17th Dar es Salaam international trade fair and functions were held in different countries on the month of international solidarity with the Korean people, according to the press.

Appearing in the press is a statement issued by a spokesman for the Central Committee of the General Federation of Trade Unions of Korea condemning the South Korean authorities for cracking down upon the labour movement.

MINJU CHOSON in a commentary denounces this crackdown.

NODONG SINMUN runs an article titled "Confrontation and War Moves Cannot Work" flailing the South Korean rulers for intensifying their confrontation and war moves as never before.

The press reports that the Iranian president criticized the frivolous human rights offensive of the United States, the Philippine president elaborated on the role of the news media and the Ugandan president called upon the African countries to solve their problems by themselves.

"It Is Requirement of Present Times To Develop Non-aligned Information" is the title of an article of MINJU CHOSON.

NODONG SINMUN runs an article denouncing the wrong stand and attitude of the Japanese Government authorities toward the "comfort girls for the army" issue.

South Korea**NUB Minister: ROK Not To Be 'Estranged' From Nuclear Issue***SK0907041393 Seoul KBS-1 Radio Network in Korean 0318 GMT 9 Jul 93*

[Text] Han Wan-sang, deputy prime minister and national unification board [NUB] minister, said today: The denuclearization of the Korean peninsula is not the issue between the United States and North Korea, but the issue which can be settled through dialogue and cooperation between South and North Korea. Therefore, there is no possibility that we will be estranged [soeodoida] from resolving the issue of the Korean peninsula even after the high-level talks between the United States and North Korea.

Minister Han made the remarks in his speech on topic at today's seminar on political policies held by the Television and Radio Reporters Club at a conference room in the 63 Building at Yoido, Seoul.

He also said: A method for resolving the North Korean nuclear issue, which should be settled first of all, must be found based on the principle of not creating tensions [kinjangi chosongdoida] between South and North Korea, if possible.

Considers N-S, U.S. Talks*SK0907094693 Seoul YONHAP in English 0936 GMT 9 Jul 93*

[Text] Seoul, July 9 (YONHAP)—Deputy Prime Minister Han Wan-sang said on Friday that the government could consider holding a tripartite meeting among South and North Korea and the United States once there is a progress at the second-phase meeting between the U.S. and North Korea opening in Geneva on July 14. Speaking at a policy forum sponsored by the radio correspondents club, Han declined to elaborate on it, saying "this is no time to discuss details of the plan."

Han, who concurrently serves as national unification minister, said a tripartite meeting could be held in linkage with the idea of simultaneous inspections of the South and the North with the participation of the International Atomic Energy Agency.

The deputy premier said, however, that the government is opposed to the elevation of the U.S.-North Korea talks into a political meeting without any progress in the nuclear issue. He went on to say that if North Korea gives up developing nuclear weapons and clearly ensures the clarity of their abandonment, then South Korea could positively help North Korea improve relations with Japan and the United States.

Regarding the prospects of inter-Korean dialogue, the deputy prime minister said the dialogue is bound to be resumed if only to resolve various issues pending between South and North Korea.

"We cannot rule out North Korea's return to the dialogue even if an international sanction is taken against North Korea after the upcoming Geneva meeting ends in a failure," he said.

Stressing that the issue of denuclearization of the Korean peninsula could be resolved through talks between the direct parties, South and North Korea, deputy prime minister Han said there is no possibility of South Korea getting alienated from the Korean question because of the U.S.-North Korea talks.

DPRK Returning U.S. Remains 'Positive'*SK0907085793 Seoul YONHAP in English 0848 GMT 9 Jul 93*

[Text] Seoul, July 9 (YONHAP)—North Korea is more positive than before in returning remains of U.S. soldiers from the Korean war (1950-1953) but is still holding back on systematizing the repatriation, officials here said Friday. Confirming reports that North Korea will return remains of 17 bodies to the U.S. side on July 12, officials said the date was set before Pyongyang and Washington agreed on next round of high-level talks in Geneva July 14.

"But it will certainly work as a positive factor," said one official, "North Korea believes it is an effective gesture of inducement."

North Korean Central News Agency announced that it is repatriating the remains through the Truce Village of Panmunjom after series of working-level military talks.

Officials here explained that negotiations resumed in April after earlier talks were foiled by North Korea protesting South Korea-U.S. joint military exercise "Team Spirit."

North Korean and U.S. secretaries of the Military Armistice Commission (MAC) met on June 28 and agreed on the repatriation originally on July 7. Washington is urging Pyongyang to systematize the return of American servicemen, including on-site visits and search on North Korean soil, but the latter has so far refused.

Energy Institute Reports Status of DPRK Nuclear Facilities*SK0807235793 Seoul TONG-A ILBO in Korean 8 Jul 93 p 2*

[by reporter Kim Hong-muk]

[Text] It was revealed that there are a total of 16 atomic energy-related facilities and research institutes in North Korea at present. Of them, nine are located in Yongbyon.

The ROK Atomic Energy Research Institute [AERI] (Director: Sin Chae-in) on 7 July made public for the first time "The Present Status of Atomic Energy Development in North Korea." According to this report, the

5-megawatt-class No. 1 Yongbyon Power Station has been in operation since 1986 and the 50-megawatt-class No. 2 Yongbyon Power Station is under construction, and is expected to start operation in 1995. Besides, construction of the 200-megawatt-class Taechon commercial [sangyong] power station is underway with its operation to begin 1996. North Korea is also planning to build a 635-megawatt-class No. 3 atomic power station in Sinpo.

However, these figures are far inferior to the 950-megawatts per unit power generating capacity of atomic power stations in Yonggwang and Ulchin, which are under operation or construction in South Korea.

In 1956, North Korea concluded an accord with the former Soviet Union for atomic energy research and cooperation. Since that time, North Korea established atomic energy engineering departments in Kim Il-song University and Kim Chaek University. In addition, it built an atomic energy research center in Yongbyon near Kuryong in a tributary of Chongchon River 90 kilometers north of Pyongyang. Thus, North Korea now has a series of atomic energy facilities.

In addition to power stations which are presently in operation or under construction, there are radiochemical [pangsahwahak] facilities; a nuclear fuel processing plant (with a 200- to 300-ton annual production capacity); nuclear fuel storage facilities; an electronic engineering research institute; a radiochemical research institute; an isotope processing research institute, and a research atomic reactor, all in Yongbyon.

In addition to uranium mines that are presently in operation in Suncheon and Pakchon, North Korea is developing a new mine in Sinpo. Uranium refinery plants are in two places in Pakchon and Pyongsan. The Pakchon plant began operation in 1982 and the Pyongsan plant in 1990.

There are an atomic energy research institute and a radioactivity protection research institute in Pyongyang. North Korea explained that 50 percent of its electric power resources are obtained from hydraulic power stations and the other 50 percent from thermal power stations and that it has no oil resources. North Korea has abundant coal resources but coal is being used as a secondary product. Moreover, the demand for electric power is drastically increasing. Therefore, North Korea claimed that it is pushing ahead with atomic power generation.

In the meantime, the Ministry of Atomic Energy Industry, which supervises all atomic energy development projects in North Korea, dispatched its officials to a nuclear test conducted in China in the mid 1960s in order to collect information on nuclear weapons. The ministry also sent students to study in Russia and at Prague University in Czechoslovakia and trained nuclear specialists by sending them to training courses provided by the International Atomic Energy Agency.

The Status of Atomic Energy-Related Facilities in North Korea Is as Follows: (1. Name 2. Location 3. Size 4. Status) No. 1 Yongbyon Power Station, located in Yongbyon, 5 MW, in operation since 1986; No. 2 Yongbyon Power Station, Yongbyon, 50 MW, under construction (to begin operation in 1995); radiochemical facilities, Yongbyon, same as the height of a 6-floor building, under construction (to begin operation in 1996); nuclear fuel processing plant, Yongbyon, 200 to 300 tons of annual production, in operation since 1987; nuclear storage facilities, Yongbyon, in operation; electronic engineering research institute, Yongbyon, engaged in developing gauges; radiochemical research institute, Yongbyon, built in 1956; isotope processing research institute, Yongbyon, built in 1975; research atomic reactor, Yongbyon, built in 1965; commercial power station, Taechon, 200 MW, to be completed in 1996; Nuclear Physics College of Kim Il-song University, Pyongyang, 5 MW, various testing; Pyongyang Atomic Energy Research Institute, Pyongyang, research of accelerators; uranium refinery plant, Pakchon, began operation in 1982 (expected to be closed); uranium refinery plant, Pyongsan, began operation in 1990; uranium mines, Suncheon, Pakchon (under operation) and Sinpo (under development); radioactivity protection research institute, Wonsan and Pyongyang, set up in 1978.

U.S. Joins Study of Nodong-1 Countermeasures

SK0907002993 Seoul THE KOREA TIMES in English
9 Jul 93 p 2

[Excerpts] [passage omitted] Answering an opposition lawmaker's question on North Korea's "Nodong-1" missile, the defense minister said that Korea and the U.S. are studying a counter-weapon system against the missile.

"With the successful test firing of the missile with a 1,000 km range, the arms race on the Korean Peninsula will be accelerated. We are now closely cooperating with the U.S. to devise countersteps," the minister said.

Kwon revealed that his ministry has closely watched the North Korean development of the Nodong-1 missile from the start and is now analyzing its quality and performance.

Minister Kwon viewed that Japan is likely to spur its defense build-up as most of Japan is within the range of the long-range missile. "Japan plans to introduce advanced Patriot anti-missile and AWACS early warning systems," Kwon said.

The minister predicted that Japan will seek to exercise more influence in the Northeast Asian region through a formation of a multilateral security consultative body.

Answering Rep. Yi U-chong's question on the Yongsan U.S. base relocation plan, Kwon said, "The government has not scrapped the plan. It is merely delayed due to many problems arising in the course of promoting the project."

Kwon said, "The suspension of purchasing land in Osan, an alleged candidate site for a new U.S. military base, does not mean that the government has rescinded the Yongsan base relocation plan. It means merely a partial change in the plan."

The defense minister said that the government will consider positively the introduction of state-of-the-art MIMEX planes like the F-15 if need be.

He said that the adoption of F-16 in the Korea Fighter Project [KFP] was made after full strategic and technological considerations.

"Even if there were some irregularities in the course of promoting the KFP, the government decision to adopt the F-16 was made through due process separately from any alleged misdeeds," Kwon said. [passage omitted]

Seoul Supports Clinton's Pacific Community Plan

SK0907004093 Seoul THE KOREA TIMES in English 9 Jul 93 p 2

[From the "Clinton's Visit" column: "Seoul's Support"]

[Text] The government will support U.S. President Bill Clinton's proposal to set up a new Pacific community, a ranking Foreign Ministry official said. The official said that because President Kim Yong-sam has supported an economic summit of the Asia-Pacific economic Cooperation (APEC) nations, the government "strongly" supports Clinton's new Pacific community plan which is an extension of the APEC.

"The new Pacific community as proposed by the U.S. government must be established only through an APEC summit," he said, requesting anonymity.

The APEC economic summit, slated for November in Seattle, would focus on regional trade and investment liberalization and would also touch on regional security as a matter of course, he said.

Aspin Expected To Reaffirm Defense Commitment

SK0907003793 Seoul YONHAP in English 0024 GMT 9 Jul 93

[Text] Washington, July 9 (YONHAP)—U.S. Defense Secretary Les Aspin leaves for Seoul Friday to join U.S. President Bill Clinton during his visit to South Korea Saturday and Sunday, diplomatic and defense sources said.

Aspin is scheduled to hold talks with his Korean counterpart Kwon Yong-hae to discuss ways to jointly cope with North Korea's nuclear problem and promote bilateral cooperation in security following the change in U.S. military strategy and the reduction in U.S. defense budget.

The sources said that Aspin, despite partial change in the U.S. military strategy, was expected to assure Kwon that there would not be any appreciable change in the

strength of U.S. forces in Korea and reaffirm U.S. commitment to defend South Korea.

Defense Minister: Clinton To Confirm 'Win-and-Win'

SK0907010793 Seoul KBS-1 Television Network in Korean 1200 GMT 8 Jul 93

[Excerpts] At the National Defense Committee of the National Assembly today, Defense Minister Kwon Yong-hae said that the selection of the type of airplane for the next generation in the Yulgok project was the best choice through thorough study and reviews. [passage omitted]

Minister Kwon also said: We have been informed that the U.S. defense strategy is the win-and-win strategy which means simultaneous countering of the wars in two regions. I understand that this will be officially announced when President Clinton visits the ROK.

Police Prevent Rally Protesting Clinton Visit

SK0907112493 Seoul YONHAP in English 1111 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—A planned student rally to "block the opening of rice market and oppose Clinton's visit to Korea" failed to take place on Friday afternoon as the police kept students from reaching the rally site in Seoul. About 3,000 combat and riot policemen blocked all entries to Tongguk University in Seoul to keep away would-be attendees.

Hanchongnyong or the National Federation of College Student Organizations planned to stage the rally at 4 P.M. Faced with the police blockade, Hanchongnyon held an informal rally attended by about 300 Tongguk students around 5 P.M., in which student speakers denounced President Bill Clinton's visit as a "political maneuver to apply pressures on our country for the sake of the U.S. political and economic interests."

After the rally students sought to leave the campus through the rear gate to hold a street demonstration. But, they were held back by police.

Meanwhile, about 300 students, unable to enter the rally site, held a sit-in about 100 meters from Tongguk's rear gate shouting slogans against Clinton's visit. Police forcibly dispersed them, carrying three bus-loads of them to the Chongbu Police Station. During the dispersion, the police hit and kicked the students, most of them coeds, inviting protests from nearby citizens.

Foreign Minister Views Upcoming U.S. Summit

SK0907131393 Seoul KBS-1 Television Network in Korean 1211 GMT 9 Jul 93

[Interview with ROK Foreign Minister Han Sung-chu by KBS Anchorman Yi Yun-song; Foreign Minister Han appears on screen while Anchorman Yi is seen sitting in KBS studio—live relay]

[Text] [Yi Yun-song] We have invited this evening Foreign Minister Han Sung-chu, who will head the working team in the upcoming ROK-U.S. summit talks. How are you Mr. Foreign Minister? Thank you for coming to the interview despite your busy schedule. What significance will President Clinton's visit to the ROK have for our side?

[Han Sung-chu] President Clinton's visit to the ROK will provide ROK-U.S. relations with a turning point for consolidating the cooperative relations between the two countries as they enter the Pacific era, characteristic of a higher plane compared with the hitherto bilateral relations. This will be the first time for the two leaders to meet. It will be an opportunity for them to promote understanding and friendship between them.

[Yi] The political declaration adopted by the G-7 [Group of Seven] summit talks mentioned the North Korean nuclear issue as a topic of concern. We anticipate that this issue will be discussed more intensively in ROK-U.S. summit talks. What will be the extent of discussion on this issue in the summit talks?

[Han] The ROK and the United States have carried on useful discussions on this issue. The leaders of the two countries will reconfirm in the talks that the two countries will continue close cooperation in the future. They will also realize the inspections by the International Atomic Energy Agency [IAEA] and bring a solution to this problem.

[Yi] Will there not be significant problems regarding the trade issue between the two countries in connection with the opening of markets?

[Han] Most of the problems have been solved. The trade between the two countries is balanced. In the summit talks, the two leaders will discuss broader cooperation and political coordination in trade and economic fields. They will discuss continuing dialogue and cooperative relations to jointly cope with the Uruguay Round and regional cooperation.

[Yi] We note that the United States has been implementing the policy of cutting defense spending, as seen in the reduction of its troops stationed overseas and the abolition of bases. Nevertheless, President Clinton is stressing the U.S. policy of attaching importance to Asia with his upcoming visit to the ROK. How would you explain these seemingly conflicting policies?

[Han] While implementing the austerity policy, the United States is stressing its firm commitment to the security of Asia and in particular, to the ROK. The United States will continue to be very prudent in making security related decisions for this region. The U.S. security commitment will remain firm.

Trade Official on Expectations of Clinton Trip

SK0907074193 Seoul THE KOREA ECONOMIC WEEKLY Supplement in English 12 Jul 93 p 19

[Article by Yi Ki-sung, secretary general of the Korean Trade Commission at the Ministry of Trade, Industry and Energy]

[Text] President Clinton is expected to visit Korea for a summit meeting with President Kim Yong-sam after he participates for three-days in the economic summit of Group of Seven (G-7) industrialized nations meeting in Tokyo. This summit is the first one since both new administrations started, which will open new interrelationship between two countries.

President Clinton will try to resolve domestic problems with the G-7 and the US-Korea summit meetings in which issues, such as the North Korean nuclear weapon development, and a wide range of security and economic matters concerning the Asia-Pacific region.

I expect that President Clinton will reaffirm the traditional friendship and partnership and his stern position on North Korean nuclear weapons and the importance of the US soldiers in the Far East region.

He will also strongly support Korea's civil government's active participation in President Clinton's stressing ideas of democracy, respecting human rights and improving environment.

As far as trade relations are concerned, the US and Korea are maintaining relatively good relations. Though there has been no clear position from Clinton administration about Korea, last year's trade deficit of the US to Korea was \$200 million, approaching to almost balanced trade. (According to the US statistics, the deficit was \$2.1 billion because of differing statistical methods.) As a result, the US concerns relatively more about trade deficits with Japan and China. [sentence as published]

Further, Korea has pursued continuously a policy of liberalization and internationalization and the new government's trade officials often visited the United States and have tried to improve trade relations with the US.

However, there are trade disputes where trades are. There have been various trade conflicts between the two countries and possibilities for fierce conflicts.

It is easy to guess that if the trade deficit of the US increases this year, the US will ask Korea to open agricultural and service markets in which it has international competitiveness.

The US has argued that Korea's market opening is necessary though there has been some progress since late 1980s.

President Clinton is expected to ask Korea to support the US proposal of TIF (Trade and Investment Framework) during the Asia-Pacific Economic Cooperation (APEC) in November this year in Seattle. The US is also expected

to propose the summit meeting of APEC member countries after the November APEC meeting.

One US interest in economic cooperation is Korea's liberalization of its financial market. The US has argued that those nations, which do not open their financial markets in comparison with financial services agreements in the Uruguay Round, should be excluded from Most Favored Nation (MFN) and asked several times for the Korean government to liberalize its market.

On US requests, Korea has been saying that the liberalization of its financial market will be made step by step under the schedule. Last month, Korean government announced third-stage financial market liberalization plan.

The plan stipulates; 1) Commercial loans and deferred payments on imports will be gradually expanded to the advanced nations' level in 1997. 2) Up to now, policies on foreign exchange market and liberalization of capital flows have been reflected by macro-economic variables including domestic inflation and the balance of international payments. But all these terms will be lifted. 3) The domain of credit control companies will be narrowed and the required ratio of loans to small and medium sized companies will be reduced. 4) Foreign financial institutions will be allowed to hold equities of domestic banks by 1996-1997.

The US's complaint has been that the speed of liberalization is too slow. Therefore, we should justify such as huge expenses for the structural changes of finance industry, conflicts of interest groups and the risks of radical changes.

The Korean government has been concerned about improving the foreign investment environment and in protecting intellectual property rights (IPR). Last month, the Korean government announced 5 year liberalization schedule for 274 business sectors, in which foreign investment has been restricted. Those sectors will be liberalized through 1997, raising the nation's liberalization ratio to foreign investments to 93.4 percent from the current 83 percent.

Also distribution market was opened to foreigners in July 1 this year. 1) Foreign businesses will be permitted to establish up to 20 outlets with a sales floor space of 3,000 square meters. Up to now less than 10 outlets with that space of 1,000 square meters have been permitted. 2) From January 1994, foreign investments in retail industry can be made by notification rather than receiving approval from Korean government.

In order to attract foreign investments and technology transfers, the protection of IPR is a precondition. The request of the US can be summed up to strengthening penalties and enforcement on counterfeit goods and disposal of illegally copied products produced before 1987.

Korea is also working to meet this US request. According to a draft amendment to the Law on the Computer Software Protection Act and Copy Right Act, which are expected to be passed at the September session of National Assembly, a fine of 20 million won (about \$25,000), nearly seven times the current 3 million won, will be levied on the infringement.

The Government has persuaded related companies to dispose of copied products before 1987 no later than September 30 this year.

Since the term and idea of IPR is not well known to the general Korean public, promotion and education will be the important tasks in protecting IPR.

In April this year, the US, accepting the Korean government's efforts, placed Korea on the Priority Watch List in spite of the strong pressure of the US firms to designate Korea as Priority Foreign Country.

Up to now, trade relations between the US and Korea have settled issues on a case by case basis by negotiations of two governments. But in the future, we should diversify and broaden the range of civil communications to include those such as scholars and institutions.

In order to solve the trade conflicts fundamentally, trade cooperations should be developed to industry cooperations. There are many sectors where the two countries can complement each other's international competitiveness by combining advanced technology of the US and manufacturing skills of Korea in such industries as semiconductor, computer, telecommunication and aircraft.

Of course, to make these ideas come true, Korea must improve its investment environment, protect IPR, and accelerate deregulation, which are currently under process by new civil government.

I believe that the proposal made by the minister of MOTIE, when he visited Washington last April, to establish a fund for industrial cooperation and by establishing free trade zones would be the most effective ways. I would like to see more practical discussions be made this time.

Cabinet Budgets 73 Million Won for Clinton 'Working Visit'

*SK0907005893 Seoul THE KOREA TIMES in English
9 Jul 93 p 2*

[From the "Clinton's Visit" column: "Special Budget"]

[Text] The Cabinet yesterday approved a contingency budget of 73,153,000 won for the overnight visit of U.S. President Bill Clinton. The spending breaks down to 44,210,000 won for President Clinton and a 20-member official entourage and 28,943,000 won for the operation of a press center for foreign journalists at Choson Hotel

in downtown Seoul. Some 300 foreign journalists, including 200 reporters accompanying Clinton, will use the center for 30 hours.

A Foreign Ministry official said that the cost would have been higher if President Clinton had visited Seoul as a state guest. Clinton's visit is a working visit.

Ambassador Han Sung-su on U.S.-ROK Issues

SK0807114793 Seoul CHUNGANG ILBO in Korean 7 Jul 93 p 5

[Interview with Han Sung-su, ROK ambassador to the United States, by reporter Pak Ui-chun in Seoul on 7 July]

[Text] [Pak Ui-chun] Would you elaborate on how the ROK and the United States have cooperated on resolving the North Korean nuclear issue?

[Han Sung-su] The ROK Government has cooperated closely with the U.S. State Department on making North Korea accept special inspections [tukpyolsachal] by the International Atomic Energy Agency.

[Pak] How long do you think the second round of U.S.-North Korean talks, which will begin on 14 July in Geneva, will last?

[Han] The United States firmly believes that the second round of talks should not continue indefinitely. Its top goal is to resolve the North Korean nuclear issue at the earliest possible date.

[Pak] If progress were made at the second round of talks, how then, do you think negotiations to improve U.S.-North Korean relations will proceed?

[Han] If the talks yield satisfactory results, this will mean that North Korea is willing to open up on its own. Thus I think, the United States will implement a corresponding policy.

[Pak] The presidents of the two countries [ROK, U.S.] appear to have different views concerning U.S.-North Korean talks, do they not?

[Han] That is not true. However, because we have more experience negotiating [with North Korea] than does the United States, President Kim may explain our experiences to President Bill Clinton.

[Pak] The ROK Board of Audit and Inspection [BAI] reportedly asked the United States for data on the Yulgok Project, has it not?

[Han] (Looking embarrassed) I do not know anything about it, and I am not in a position to say anything about it. The BAI has started its investigation, and this issue will have to be resolved through consultations between the two countries.

[Pak] Where is Kim Chong-hwi, former senior presidential secretary for diplomatic and security affairs?

[Han] The United States is a big country. It is difficult for us to locate him.

[Pak] What does the United States think of the win-hold-win strategy, which proposes that if two wars break out at the same time, the United States will engage in one war first and win it and then engage in another and win that war as well?

[Han] The ROK-U.S. defense ministerial talks, scheduled for 11 July, will fully discuss this matter, and the United States will announce its position after that.

[Pak] What does the United States think of the proposed multilateral dialogue on security in Northeast Asia?

[Han] The ROK and the United States agree that a collective security system must not replace the ROK-U.S. defense treaty but complement it.

Unlike European countries, East Asian countries have various heterogeneous elements. Therefore, it seems difficult to establish a multilateral security system in this region immediately.

[Pak] Would you elaborate on the U.S. position on the opening of our rice market and financial market?

[Han] Our government firmly believes that the opening of the rice market is not a bilateral issue but an issue requiring multilateral consultations. The ROK and the United States have somewhat different views on some trade issues. However, it is clear that the United States has viewed, favorably, the fact that our economy has been opening up.

U.S. President's Trip To Outline Asian Policy

SK0807091093 Seoul TONG-A ILBO in Korean 6 Jul 93 p 3

[Article by Washington-based correspondent Nam Chan-sun on significance of U.S. President Clinton's visit to the ROK]

[Text] U.S. President Bill Clinton left Washington on 4 July to visit Japan and the ROK. His current visit is significant not only because it is his first real overseas trip after he assumed office, but also because the visit itself has political and diplomatic significance.

Of course, President Clinton visited Vancouver, Canada last April to hold a summit meeting with Russian President Boris Yeltsin. However, this is the first time he has made an overseas trip in his capacity as head of state. Furthermore, the United States attaches special meaning to the fact that the destination of his first overseas trip is to the Far East where the ROK and Japan are located.

The ROK side attaches the significance of President Clinton's visit to Japan largely to his participation in the G-7 [Group of Seven] summit. However, it stresses that Clinton's visit to Seoul is essentially different from his visit to Japan. In other words, the ROK side says that the

country in which President Clinton has chosen to visit for his first summit talks on purely bilateral relations is none other than the ROK.

The ROK Embassy in the United States revealed that when the plan for President Clinton's visit to Japan to attend the G-7 summit was officially made public, all Pacific nations such as Indonesia, Singapore, Australia, New Zealand, and the Philippines were vying to have him visit their countries.

The White House seems to be trying to interpret President Clinton's current visit to the Far East as summit diplomacy to put into practice its policy attaching importance to Asia, rather than as an aspect of attending the G-7 Tokyo summit. The U.S. press circles do not see the G-7 Tokyo summit in a rosy light. That is, they do not have optimistic expectations that through the current G-7 Tokyo summit the United States will set a desirable direction in the Uruguay Round negotiations and that in the summit the advanced countries will take epochal measures to lower the rate of interest and remove trade barriers for the world's economy.

It is unlikely that the Western countries will show an active attitude in providing economic aid to Russia in the Tokyo summit as President Clinton told Russian President Yeltsin when he met the latter in Vancouver last April. As President Clinton himself already has predicted, the possibility is very low at present that his current visit to Tokyo will lead Japan to take a momentous measure to reduce Japan's trade surplus with the United States. Experts hold that there will be not many gifts either from the G-7 summit or from his Tokyo visit in President Clinton's suitcase when he returns home.

Therefore, the present atmosphere seems to be that the United States intends to use President Clinton's current visit to the Far East as an opportunity to outline its future Asian policy. In other words, many people hold that Clinton's visit to the Far East this time assumes the characteristic of a sort of "Asian doctrine" of the United States in preparations for the 21st century. This also means that President Clinton intends to place importance on building the justification and stature of the United States to display its leadership as the only big power of the world in the post-Cold War era, rather than intending to gain specific fruition through summit diplomacy.

The key point of the Asian policy of the United States that President Clinton is expected to clarify in Seoul is that "the United States is the central nation [chungsim kukka] of the Pacific." As many experts predict, the central axis of the history of the world will be the Pacific region, and the United States will do its best to secure its leadership in this region in the future.

In particular, North Korea's nuclear issue has provided a most proper cause for such a role.

It seems that the Clinton administration is keenly analyzing what influence North Korea's nuclear armament

will have on the ROK and Japan and on the leadership of the United States in this region.

Researchers: Reunification May Cause Food Shortage

SK0907022393 Seoul YONHAP in English 0107 GMT 9 Jul 93

[Text] East Lansing, Michigan, July 9 (YONHAP)—Korean reunification before 2001 would result in an annual food shortage of 770,000 tons in North Korea and South Korea should prepare for it by reconsidering its policy to use arable land for non-farming purposes, South Korean researchers say.

Agronomist Kim Un-kon of the Korea Rural Economy Research Institute and Prof. Yun Yo-chang of Seoul National University made the prediction in a joint paper on food and land problems of a unified Korea.

The paper was presented to an international conference on the change of the Korean peninsula toward the 21st century held at the Michigan State University.

If North and South Korea were unified before 2001, South Korea would be self-sufficient in food supply, with its rice production of 4,956,000 tons a year, they said.

But North Korea, assuming its pattern of rice consumption is the same as that in South Korea, would suffer a shortage of 770,000 tons, with its rice production of 2.5 million tons against the demand for 3.27 million tons, they said.

The paper proposed that South Korea reconsider its land policy for diverting farmland to non-agricultural uses in order to ease food shortages in the North after the reunification.

Touching on North Korea's land system, they said the existing collective farm system should be maintained for a fixed period of time in view of the unified Germany's experience.

The researchers said that should owners of North Korean land appear, they should be paid the land prices by the government of a unified Korea with the funds raised by issuing bonds.

Chong Chu-yong Leaves for PRC 6 Jul

SK0607050493 Seoul YONHAP in English 0240 GMT 6 Jul 93

[Text] Seoul, July 6 (YONHAP)—Chong Chu-yong, founder and honorary chairman of the Hyundai Business Group, left for Tianjin, China, Tuesday for a 10-day visit.

Chung, former leader of the United People's Party and its presidential candidate, is expected to tour the Xiaolangdi Dam construction site in Luoyang.

Ten companies from South Korea, including Hyundai, the United States, Japan and Europe are to participate in an international bidding for the dam's construction which is estimated to cost 1 billion U.S. dollars.

KOICA To Send Youth To PRC, SRV, Burma

SK0907064893 Seoul YONHAP in English 0603 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—The Korea International Cooperation Agency (KOICA) is considering sending youth volunteers to China, Vietnam and Myanmar [Burma] next year, KOICA officials said Friday.

KOICA, a Foreign Ministry affiliate organization, has been sending youths to nine Asian developing countries for voluntary works in various fields.

KOICA officials said in a report to the National Assembly Foreign Affairs and Unification Committee that it plans to send 90 youth volunteers next year to China, Vietnam and Myanmar after consulting with these countries.

In 1996, the number of volunteers will rise to 300 a year and KOICA will try to send them to Uzbekistan, Kazakhstan and three Provinces in Northeastern China, where ethnic Koreans are largely concentrated, the officials said.

Communications Industry Wants Push Into PRC

SK0807033793 Seoul THE KOREA HERALD in English 8 Jul 93 pp 3, 10

[Text] South Korea will launch a vigorous push into the telecommunications market of China, which industry sources forecast will grow into the world's biggest market as the Asian giant seeks more and better communications to maintain its high economic growth rates, Seoul's top telecom official said yesterday.

Speaking at the National Assembly Transportation and Communications Committee, Communications Minister Yun Tong-yun said he will meet with his Chinese counterpart later this month to discuss Korea's joining in a major way in the task of modernizing China's old and inadequate telecommunications systems.

"The government needs to actively support domestic companies trying to break into what will become the world's most lucrative and biggest telecom market," Yun told the committee.

Rapid expansion in telecommunications has been an accompanying story to the Chinese saga of fast economic growth in recent years. Chinese telecom authorities are now seeking major joint-ventures to ease the pressure on their long overburdened telephone system and fulfill the longstanding goal of creating opportunities for development, especially in rural areas.

Details of what will be discussed in the scheduled meeting later this month were not available yesterday, but officials at the Communications Ministry said that the two countries will sign a basic agreement on cooperation in postal and telecom industries.

With the agreement, the officials said the nation will secure an opportunity to become a major investor in the blooming Chinese telecom industry. The existing major players in the Chinese market are several European divisions of Alcatel, Japan's NEC and Germany's Siemens. AT&T has recently returned to China, throwing some confusion into what seemed to be a three-way race. Canada's Northern Telecom has also won a major switching-system contract recently.

Currently Alcatel is the front-runner, accounting as much as some 40 percent of China's digital switching market.

South Korean telecom firms have already established a foothold in China. At least four South Korean firms are involved on a regional basis in exporting or locally producing such items as digital switching systems. Samsung Electronics and Goldstar Information and Communications are building joint-venture plants producing switching gears in Shantung Province.

Daewoo and Tongyang are promoting contracts with Heilungkiang and Liaoning provinces to export telecom equipment.

To telecom firms around the world, China is a frontier that has all kinds of options open, according to Communications Ministry officials.

China, for instance, plans to expand its present 19 million telephone lines to 100 million by the end of the decade. Chinese authorities recently announced that they will install 10 million new lines annually in the following years.

To meet the ambitious goal, ministry officials said, the Chinese government is seeking liberalization of its telecom market and actively inviting high technology from abroad. Chinese national telecom authorities usually launch tenders for switches and transmission equipment which are often bought with financial aid from foreign countries and institutions, foreign loans or suppliers' credits.

Since Seoul opened diplomatic relations with Beijing in August last year, the bilateral telephone traffic has expanded rapidly. Now South Koreans lodge more telephone calls to China than to any European and Asian countries except Japan and Hong Kong, according to Korea Telecom.

South Korea recently agreed with China to install a seabed optic fiber cable linking the two countries. The two countries will also open satellite earth stations next month to accommodate the rising telephone traffic volume.

Foreign Ministry Plans To Extend Loans to PRC

SK0907081293 Seoul YONHAP in English 0740 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—South Korea plans to extend Economic Development Cooperation Fund (EDCF) loan to China for mostly environment and telephone network projects rather than infrastructure, Foreign Ministry officials said Friday.

Seoul officials, meeting with visiting Chinese delegation to discuss specifics to the 320 million U.S. dollar request, recommended that Beijing refer to South Korea's Export-Import Bank (Exim bank), which would be able to provide low-interest loans, for many of its projects included in the request.

The Chinese delegation was told that Seoul was chiefly interested in EDCF loans through supply of South Korean-made telephone switching system TDX (time division exchange) and environment projects designed to clean up the Yellow Sea and cross-boundary flow of yellow dust, officials here said.

The 320 million dollar request list contained mainly infrastructure improvement, approximately 200 million dollars of the total.

Seoul refused to make any commitment on the amount of the EDCF loans, saying the loans will be approved on case-by-case basis, but officials say it is not likely to exceed 50 million dollars.

South Korea promised 50 million dollars from the EDCF purse to Vietnam, the biggest amount yet.

Beijing delegates said they will prioritize the projects listed in the 320 million dollar request and notify Seoul as soon as possible.

Foreigners To Lease in Asan 'Free Investment Zone'

SK0707032593 Seoul THE KOREA HERALD in English 7 Jul 93 p 8

[Text] The government plans to lease to foreign investors half of a Free Investment Zone (FIZ) to be set up in Asan, South Chungchong Province. In a report to the National Assembly, the Ministry of Trade, Industry and Energy said half of the planned industrial complex covering 660,000 sq. meters will be leased under reasonable terms for 10 years. The remainder will be sold to foreign investors under condition that they could obtain land ownership, the ministry said.

The government will earmark 43.5 billion won by 1996, including 10 billion won next year, in its budget to finance the land lease program, it said.

Foreign businesses engaging in 83 industrial fields classified as high-tech industries will be able to qualify for

the FIZ, and occupants will be limited to foreigner-wholly invested firms and joint ventures in which foreigners take more than 50 percent of the stake, the ministry said.

BAI Wants Prosecution of Six in Yulgok Probe

SK0907050993 Seoul YONHAP in English 0335 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—Chairman Yi Hoe-chang of the Board of Audit and Inspection (BAI) indicated Friday his office could question Former President No Tae-u in connection with alleged irregularities in the government decision to change the Air Force's next-generation fighter model from F/A-18 to F-16.

"The BAI could question (President No) if there was any trace of suspicion that presidential orders had been resulted from irregularities or illegal collusions," Yi said.

The BAI has to probe to see whether there was irregular activities that could back up impropriety of the presidential orders, Yi said.

Yi made the statement as he announced the results of the BAI's 54-day investigations into the multi-billion dollar force improvement plan called the Yulgok project.

Yi, however, withheld the announcement on the result of the probe into the Korean fighter program under which the fighter model change had been made.

Yi said whether the former president would be questioned would be decided after studying the materials being sought from U.S. contractors and government agencies.

Yi said the change for the fighter model had been ordered by No.

But Chong Hae-chang, a former chief presidential secretary, refuted Yi's statement and said it would be irrational that the BAI would ever question No because there was no evidence supporting his involvement in the irregularities.

The BAI referred six former defense and security officials—Former Defense Ministers Yi Chong-ku and Yi Sang-hun, Former Chiefs of Naval Operations Kim Chol-u and Kim Chong-ho, Former Air Force Chief of Staff Han Chu-sok and former presidential secretary for foreign affairs and national security Kim Chong-whi—to the prosecution on charges of taking bribes totaling hundreds of millions of won each in connection of weapons acquisition under the Yulgok plan, he said.

The supreme public prosecutor's office said it would shortly investigate the irregularities involving these people and prosecute them if investigation results so warrant.

To Investigate No Tae-u's Role

SK0907080393 Seoul YONHAP in English 0736 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—The announced intention of the Board of Audit and Inspection [BAI] to inquire into ex-President No Tae-u's role in the Yulgok Weaponry Modernization Plan drew conflicting reactions from political parties Friday, with the ruling Democratic Liberal Party (DLP) cautioning against it while the opposition Democratic Party (DP) praised it.

A statement released by ruling party spokesman Kang Chae-sop said, "the president's exercise of his sovereign power cannot come under investigation and, as for the president's execution of general policies, as was referred to by the BAI chairman, inspection can be expected only when it is certain to be against the law," DLP spokesman Kang Chae-sop said.

He was responding to BAI chairman Yi Hoe-chang's announcement that his office was poised to question No to see whether there was any involvement of irregularities during the process of changing the models of next-generation fighters.

"It is wrong to talk of probing before any wrongdoing has been unveiled," Kang said.

In contrast, DP spokesman Pak Chi-won said his party approved of the results of the BAI's investigation on the Yulgok program and urged the government to fully help BAI get necessary materials from the United States through diplomatic channels so that the board can conduct flawless inspection.

He praised BAI officials' courage for not submitting to Chongwadae [presidential offices] officials' warning that its inspection of a former president's act of exercising his sovereign power was wrong.

Yi said Defense Minister Kwon Yong-hae had been cleared of any suspicion, though he had served as chairman of the forces improvement committee. The BAI [Board of Audit and Inspection] has arrived at the decision as a result of checks on his property and bank accounts.

During the investigations which started on April 27, BAI inspectors examined 23 projects, including those involving tanks, warships, fighters and ammunition, which had been carried out between 1974 and 1993.

They also visited 35 defense agencies, 24 defense contractors and 10 arms dealers for the investigation, Yi said.

As result, the BAI detected 118 failures and irregularities wasting 203.9 billion won (255 million U.S. dollars) of the budget.

For these, Yi said, the BAI referred 34 active-duty military officers, including eight general-grade officers,

and 19 civilian employees to the Defense Ministry for disciplinary action against them.

Yi said the probe result regarding the next-generation fighter model would be made public when the suspicion surrounding former President No is cleared.

Engineers Complete Preparations in Somalia

SK0807113293 Seoul YONHAP in English 1012 GMT 8 Jul 93

[Text] Seoul, July 8 (YONHAP)—The advance contingent of a South Korean Army Engineering Unit, which left for Somalia last June 29, has almost finished preparation for the arrival of the main South Korean unit which will serve as U.N. Peace-Keeping Forces in the African country.

A senior Foreign Ministry official who returned home on Thursday after accompanying the advance team to Somalia, said the Korean PKO troops will be located at Balad, some 40 kilometers north of Mogadishu, in the operational area of Italian forces.

"It seems there is no security problems since our troops are located at an open space somewhere between an Italian Airborne Unit and a logistical installation," said Kum Chong-ho, director-general for international organization of the Foreign Ministry.

Kum said the major duty of the Korean Engineers Unit in Somalia will be to repair a trunk road linking Balad to the northern area.

The two-lane road, built during the Italian rule some 60 years ago, remains heavily damaged as no repairs were made since. "Materials needed in the repair of the road such as asphalt and cement will be furnished by the United Nations," he said.

The main force of the Korean Engineering Unit to serve as PKO forces will leave the country for Somalia on July 14.

Ulsan Residents, Businessmen Rally Against Strikes

SK0907042893 Seoul YONHAP in English 0313 GMT 9 Jul 93

[Text] Ulsan, July 9 (YONHAP)—Some 800,000 citizens and businessmen in Ulsan staged a rally Friday to protest the month-long labor disputes at Hyundai affiliates, which have devastating effects on the region's economy.

They urged Hyundai workers to quickly return to normal work.

Since Wednesday's general strike led by Hyonchongnyon (the Federation of the Trade Unions of Hyundai Affiliates), Hyundai Precision and Industry Co. was the only one out of the nine strife-ridden Hyundai Group companies where workers fully returned to work.

Some 500 small- and medium-sized companies closed business for the day and 10,000 employees of the Ulsan Chamber of Commerce and Industry and the Federation of Small Business and citizens of the area gathered for a rally to urge quick settlement of the labor disputes.

Government officials of the region, including Yun Han-to, governor of South Kyongsang Province, held a series of emergency meetings and are giving their best shot to mediate between the labor and management.

Because the disputing labor and management are said to be making active off-the-record negotiations to settle the wage question, the police and prosecutors have decided to suspend law enforcement against company union representatives, while accelerating their manhunt for Tan Pyong-ho, chairman of the Chonnohyop (the National Council of Trade Unions), and four Hyonchongnyon executive members.

Hyundai Heavy Industries Co. unionists refused to work for three hours and decided to negotiate wage terms for the 18th round Friday. Other companies will continue with partial strikes and talks until late this week and decide on their next move depending on the progress of the negotiations.

Imports From Developing Countries Up

SK0907082993 Seoul YONHAP in English 0759 GMT 9 Jul 93

[Text] Seoul, July 9 (YONHAP)—South Korea is importing more goods from developing countries than before, gradually reducing its reliance on advanced economies as far as imports are concerned, the Korea Trade Promotion Corporation (KOTRA) said Friday.

In the January-May period, imports from 24 members of the Organization for Economic Cooperation and Development (OECD) totaled 22.09 billion U.S. dollars, down 5.6 percent from a year earlier. But imports from developing countries rose 4.6 percent to 8.70 billion dollars. The developing countries do not include communist countries as well as the Commonwealth of Independent States.

So the import ratio between advanced countries and developing countries changed from 66 to 25 in 1992 to 65 to 26 this year.

The ratio marked 74-19 in 1989, 71-21 in 1990 and 70-21 in 1991.

The continuing growth of imports from developing countries was prompted by economic growth in those countries and improved terms of trade, KOTRA officials said. The diversification of import sources is likely to contribute to enlarged economic cooperation with the countries involved, they predicted.

In the first five of this year, imports from Southeast Asian nations accounted for 9.1 percent, up 0.5 percentage point, and those from Middle East, 10.7 percent, up 0.1 percentage point.

Imports from the United States accounted for 21.4 percent, off 1.0 percentage point, and those from Japan, 23.2 percent, off 0.6 percentage point.

Letters of Credit Up; Export Prospects Good

SK0307025793 Seoul YONHAP in English 0041 GMT 3 Jul 93

[Text] Seoul, July 3 (YONHAP)—The short-term prospects for South Korean exports look bright with the arrivals of Letters of Credit (L/C) posting two-digit growth for the second month in a row in June over a year earlier while the rise in issuance of imports licences was pegged at 3 percent, the Bank of Korea [BOK] said Saturday. The L/C arrivals, a forecast of exports in months to come, reached 4,714.5 million U.S. dollars in June, down from 5,089.9 million dollars a month earlier but up 14 percent from 4,134.2 million dollars in the same period last year. The total L/C arrivals in the first half of the year amounted to 27,841.6 million dollars, up 5.2 percent from 26,456.9 million dollars a year earlier.

The 14-percent growth in June following May's 13.8 percent is the first two-digit rise for the second straight month since marking 14.6 percent and 13.2 percent, respectively, in January and February last year. If the ongoing labor disputes do not disturb manufacturing and loading, exports are expected to be brisk after one or two months later, the Central Bank officials predicted.

The issuance of Imports Licences (I/L) grew 3.6 percent to 6,523.7 million dollars in June from 6,297.4 million dollars a year earlier and 1.8 percent to 34,458 million dollars in January-June over 33,854.6 million dollars last year.

The low growth of L/C can be attributed to lessened overspending and uncertainty of economic prospects that make Korean companies reluctant to import materials for facility investment, the BOK officials said.

Police Administration Disciplines 992 Officers

SK0607110893 Seoul YONHAP in English 1031 GMT 6 Jul 93

[Text] Seoul, July 6 (YONHAP)—The National Police Administration have disciplined a total of 992 police officers and men for committing various irregularities since the birth of the new government last February. An officer at the police administration said on Tuesday their offenses were uncovered in a house-cleaning probe made by police inspectors.

The disciplined police members, who included 19 senior officers with the rank of superintendent and higher, represented 1.1 percent of the total police force. Of them, 206 were dismissed, 60 were relieved of their duties, 69

were suspended from duties for set periods, 213 had their salaries reduced and 444 were reprimanded.

By nature of irregularities, 371 were found to have neglected duties, 152 to have received bribes, and 469 to have violated instructions or committed other

*** NSP Forms Center on International Drug Smuggling**

93P30063A

[Editorial Report] Seoul CHOSON ILBO in Korean on 9 June, page 31, reports South Korea's Agency for National Security Planning (NSP) is creating its own center to collect intelligence on international drug smuggling, in response to what the agency calls a "sharp increase" in the use of South Korea as a transit point by "international drug syndicates."

The NSP reportedly cited the following statistics in support of its decision to take a more "active role" in the drug problem. In 1990, there were nine instances totaling 5.5 kilograms of narcotics discovered passing through South Korean airports and harbors. In 1991, the figure rose to 31 instances and 12.2 kg, and in 1992 to 33 instances and 83.3 kg.

Part of the increase can be attributed to trafficking of illicit North Korean drugs, the paper reports, which are allegedly funnelled through the "Hong Kong - Dubayy route" to DPRK consular offices overseas, where they are sold illegally to obtain hard currency. The NSP reportedly has information on attempts to smuggle the North Korean drugs into the ROK, and regards the problem as a "national security issue."

The NSP accompanied its announcement with information alleging North Korea has increased the area of opium under cultivation in that country from 1,170 acres last year to 11,520 acres, raising 1993's projected opium harvest to 30 tons, the newspaper reports. The agency believes the DPRK is increasing the capacity of an opium refinery, allegedly located at the Nanam pharmaceutical plant in Chongjin, from 3 tons annually to 100 tons.

Another factor reportedly prompting the NSP's decision to treat drug smuggling as a national security issue is its belief that China and parts of the former Soviet Union are becoming involved in production of illicit drugs. Heretofore, leading production centers were in areas more distant from Korea, such as Southeast Asia, Central Asia, and Latin America, the newspaper states. irregularities.

Burma**National Convention Delegates Discuss Charter***BK0507150793 Rangoon Radio Burma in Burmese
1330 GMT 5 Jul 93*

[Text] Groups of National Convention delegates representing peasants and public service personnel continued their panel discussions this morning at their respective meeting halls at the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing peasants held its panel discussion on the prescription of fundamental principles of state for drafting the constitution at 0930 this morning in Meeting Hall No. 7. U Tin Maung Kyaw from Yesagyo Township, Magwe Division, chaired the meeting, while U Hla Win acted as secretary.

After an explanation of the prescription of fundamental principles of state by the chairman, the following delegates held discussions and presented suggestions: U Khin Oo from Kyangin Township, Irrawaddy Division; U Win Thein from Natmauk Township, Magwe Division; and U Win Tun from Kani Township, Sagaing Division. The meeting meeting ended at 1020.

The public service personnel national convention delegate group continued its panel discussion at 1000 this morning in Meeting Hall No. 8. U Kyi Aye from the Ministry of Finance and Revenue chaired the meeting, while U Hla Win acted as secretary.

After an explanation of the prescription of fundamental principles of state by chairman U Win Zaw Nyunt from the Ministry of Industry-1, U Tin Hla from the Ministry of Forestry Affairs presented suggestions after which the chairman gave a closing speech. The meeting ended at 1035 in the morning after deciding to resume the panel discussions at 1000 on 7 July.

Delegates Continue Talks 6 Jul*BK0607144993 Rangoon Radio Burma in Burmese
1330 GMT 6 Jul 93*

[Text] The National Convention delegates group representing political parties held its panel discussion on the prescription of fundamental principles of state for drafting the constitution at 1000 this morning in Meeting Hall No. 5. U Tun Yin Law from the National Unity Party chaired the meeting, while U Zeya acted as secretary.

After an opening address by the alternate chairman, U Sai Soe Nyunt from the Shan Nationalities League for Democracy presented his party's suggestion paper. The meeting ended at 1130 after a closing speech by the alternate chairman.

The peasants National Convention delegate group after its panel discussions yesterday on the prescription of fundamental principles of state have chosen U Shay Re

from Kayah State and U Tin Nyunt from Yangon [Rangoon] Division as delegates to present the papers at the plenary meeting while U Kyaw Aye from Karen State was chosen as a reserve delegate.

7 Jul Discussions Reported*BK0707153793 Rangoon Burma Television Network in
Burmese 1330 GMT 7 Jul 93*

[Text] Groups of National Convention delegates representing elected representatives, technocrats and the intelligentsia, public service personnel, and other special invitees continued their panel discussions this morning at their respective meeting halls at the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing elected representatives held its panel discussion on the prescription of fundamental principles of state for drafting the constitution at 1000 this morning in Meeting Hall No. 4. U Mahn Tin Aung Than from the Union Karen League chaired the meeting, while U Myo Nyunt acted as secretary of the meeting.

Later, U Sai Hsaung Hsi alias U Nelson from the Shan Nationalities League for Democracy and Kyaukse Township constituency-2, Shan State, presented his party's paper on the prescription of the fundamental principles of state. Since the delegate group has already presented 13 papers at the panel discussions, representatives for preparing the group report were chosen. The coordination meeting between the panel of chairman and the report-preparing group will be held at 0800 on 9 July. After that, the meeting ended at 1105.

The technocrats and intelligentsia national convention delegate group continued its panel discussion at 1000 this morning in Meeting Hall No. 3. Film Director U Khin Zaw chaired the meeting, while U Han Htoo acted as secretary of the meeting.

After an explanation on the prescription of fundamental principles of state by the chairman, Dr. Than Htaik, director general of the Cottage Industries Department, presented suggestions after which the chairman gave a closing speech. The meeting ended at 1015 in the morning after deciding to resume the panel discussions at 1000 on 12 July.

The public services delegate group continued its panel discussion at 1000 this morning in Meeting Hall No. 8. U Ant Maung from the Ministry of Religious Affairs chaired the meeting, while U Hla Win acted as secretary of the meeting.

After an explanation on the prescription of the fundamental principles of state by the alternate chairman, Colonel Maung Maung Kyi from the Air Force, and Lieutenant Colonel Htwe Maung, both from the Ministry of Defense, Lt. Col. Pe Nyein from the State Law and Order Restoration Council office, and U Kyaw Win from the Ministry of Culture, presented suggestions. The meeting ended at 1125 after deciding to resume the panel discussions at 1000 on 9 July.

The special invitees delegate group continued its panel discussion at 1000 this morning in Meeting Hall No. 2. Dr. Maung Maung Sein, retired medical superintendent from the psychiatric hospital, chaired the meeting, while U Soe Lwin acted as secretary of the meeting.

After an explanation on the prescription of the fundamental principles of state by the alternate chairman, Daw Yin Yin alias writer Saw Mon Nyin presented suggestions. The alternate chairman later delivered a closing speech and the meeting ended at 1040.

New Deputy Minister of Information Appointed

*BK0707135693 Rangoon Radio Burma in Burmese
1330 GMT 7 Jul 93*

[Notification No. 30/93 of the State Law and Order Restoration Council—dated 7 July]

[Text] Appointment of deputy minister:

The State Law and Order Restoration Council [SLORC] has appointed U Thein Sein as deputy minister of information.

Signed: Khin Nyunt, major general, secretary-1 of SLORC

New Deputy Minister of Culture Appointed

*BK0707140093 Rangoon Radio Burma in Burmese
1330 GMT 7 Jul 93*

[Notification No. 29/93 of the State Law and Order Restoration Council—dated 7 July 1993]

[Text] Transfer and appointment of deputy minister:

The State Law and Order Restoration Council [SLORC] has transferred and appointed Deputy Information Minister U Soe Nyunt as deputy minister of culture.

Signed: Khin Nyunt, major general, secretary-1 of SLORC

Khin Nyunt Receives Yunnan Government Delegation

*BK0707141293 Rangoon Radio Burma in Burmese
1330 GMT 7 Jul 93*

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], received Mr. Pu Chaozhu, special adviser of the Yunnan provincial government of the People's Republic of China, and delegation at the Ministry of Defense's Dagon Hall at 0800 this morning.

Present at the meeting were U Ohn Gyaw, minister of foreign affairs; and Thura U Aung Htet, director general of Protocol Department of the Ministry of Foreign Affairs.

253 Rohingyas Repatriated From Bangladesh 2 Jul

*BK0707152593 Rangoon Radio Burma in Burmese
1330 GMT 7 Jul 93*

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by Mr. Nashira Alam, camp official from the country of the other side, transferred 253 returnees—123 males and 130 females—from 64 households to our Kanyinchaung reception center at 1030 on 2 July 1993. The returnees were brought in by seven motorboats. The delegation left at 1300 after transferring the returnees.

Trawlers Seized for Fishing in Restricted Zone

*BK0507153393 Rangoon Radio Burma in Burmese
1330 GMT 5 Jul 93*

[Text] Brigadier General Maung Maung, minister of livestock breeding and fisheries, inspected the three trawlers which were seized by the Navy at the Myanmar [Burma] Fisheries Enterprise's (MFE) Sinmin Jetty at 1300 today and gave necessary instructions.

The incident was as follows: Naval boats have been acting as fisheries inspectors of Burma Fisheries Enterprise's economic zone and have been carrying out inspections of systematic fishing activities on the high seas. At 0610 on 28 June, Naval vessel Yan Khwin Aung sighted three suspicious-looking trawlers at 10.2 nautical miles within the corresponding restricted zone. The trawlers fled the scene when contacted and the Naval vessel gave chase. The trawlers JV-044, JV-033, and JV-045 were intercepted at 0710, 0725, and 0745 respectively about three nautical miles within the restricted zone. The trawlers were later found to belong to the Hanthawaddy Fisheries Company Limited, a joint venture between the MFE and the Hinthamin Company of Thailand.

The trawlers violated the restricted zones and were caught fishing. Altogether 91 crew members comprising 75 Thai nationals and 16 Burmese, 12,859 viss [approximately 21,037 kgs; 1 viss equals 1.636 kgs] of fish and shrimp catch, and the trawlers were handed over to the Fisheries Department on 4 July to take action under existing laws.

The Fisheries Department is taking necessary steps to take severe legal action in accordance with the fisheries act.

Brunei, Malaysia & Singapore

Brunei

Royal Brunei Airlines To Fly to Zurich, Bahrain

*BK0807110193 Kuala Lumpur NEW STRAITS TIMES
in English 6 Jul 93 p 6*

[Summary] Royal Brunei Airlines (RBA) Sales Manager, Chen See Hoong, said the airlines will be flying twice-weekly flights to Zurich via Kuala Lumpur and Bahrain

from 5 August 1993. The twice-weekly flights would depart from Bandar Seri Begawan for Zurich every Monday and Thursday using a fleet of Boeing 767 aircraft. He said Zurich will be RBA's third destination in Europe after Frankfurt, via Bangkok and Dubai. RBA is the only carrier to offer direct flights from Kuala Lumpur to Bahrain and vice versa. RBA has also selected Beijing and Cairo as its next destinations. No date have been specified yet for their launching.

Malaysia

Last Batch of UN Peacekeepers Leave for Somalia

BK0807074493 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Jul 93

[Text] The last batch of 305 Malaysian soldiers for peacekeeping duties under the United Nations operations in Somalia left Penang by air for Somalia last night. The soldiers were the remaining members of the Sungai Petani-based 19th battalion Royal Malay Regiment.

The Ministry of Defense personnel said with the last dispatch, the Malaysian military contingent will have its total strength of 879 soldiers and men for peace keeping tour of duties in the war torn African country. Eight hundred and seventy officers and men of the Malaysian battalion will be deployed in Kismayu, the southern port of Somalia while six army officers will serve at the United Nations headquarters in Mogadishu [numbers as heard].

The Malaysians are part of the 28,000-strong UN force to maintain security in Somalia.

Commentary Hails Cambodia's 'Real Chance of Peace'

BK0307141993 Kuala Lumpur Voice of Malaysia in English 0800 GMT 3 Jul 93

[Station commentary]

[Text] After 13 years of bitter conflict and civil war, there is a real chance of peace in the start in Cambodia after all. This possibility arises from the fact that the 126th [numbering as heard] Constituent Assembly that was elected in the UN-sponsored elections in May gave formal approval to a power-sharing interim government. The governing factions who won the most number of seats in the polls finally appeared to have resolved their differences over how the power is to be shared in the new administration.

Prince Norodom Ranariddh, head of the royal party of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and outgoing Prime Minister Hun Sen of the Cambodian People's Party, CPP, will be cooperating in this interim government. Credit should go to head of state Prince Norodom Sihanouk, who has been successful in bringing

his influence to bear on the two rival leaders and persuade them to agree to his plan for power sharing.

A welcome sign in the present Cambodian scenario is the offer by the radical group Khmer Rouge to join a new national army. This faction had been responsible for several violations of the ceasefire agreement signed between the four warring groups in 1991.

It had tried to block and finally boycotted the election conducted under the supervision of the UN Transitional Authority in Cambodia, or UNTAC. Its willingness to join the national army is a positive move toward reconciliation after the 13 years of destruction and devastation in that unfortunate land.

Thursday's vote by the Constituent Assembly is to be lauded. The world welcomes these positive moves. Malaysia and the ASEAN nations in particular are pleased and relieved by the change in the Cambodian leaders' attitude. ASEAN has stayed in the forefront of the campaign for peace to be established in the neighboring countries. They respected Sihanouk's role in his efforts to reunify the country. The words of the head of the UN peacekeeping force in Cambodia, Yasushi Akashi, are worthy of note. In his letter to Prince Sihanouk, he stated that the voice of the Cambodian people has been heard throughout the world and that Sihanouk as the venerated father of the nation will have a crucial role to carry this message and to fulfill peace.

Minister: ASEAN Needs Ministerial Forum on Commodities

BK0507084193 Kuala Lumpur Voice of Malaysia in English 0600 GMT 5 Jul 93

[Text] Malaysia has proposed that ASEAN now undergoing restructuring should set up a ministerial committee on commodities. This is to secure a better position for its primary products in the international market. Primary Industries Minister Datuk Sri Dr. Lim Keng Yaik said through the committee, ASEAN would be able to coordinate and fight collectively all activities pertaining to rubber, tin, palm oil, and tropical timber. He said since ASEAN countries have common raw products, it will be better if such a committee is formed to safeguard its interests in the world market. Datuk Sri Dr. Lim told reporters that his officers had been lobbying for the committee for the past four years, but there was no response from their ASEAN counterparts. He hoped that the proposal would receive a good response from the other ASEAN countries.

Earlier, he opened the 17th ASEAN Committee on Food, Agriculture, and Forestry, COFAF, and the Coordinating Group of Forestry, CGF, meeting in Kuala Lumpur.

Iranian Official Discusses Cooperation, Bosnia

*LD0807120193 Tehran IRNA in English 1004 GMT
8 Jul 93*

[Text] Kuala Lumpur, July 8, IRNA—Iran and Malaysia are enjoying better relations today because leaders of both countries and their people have become more open and sincere with each other, a visiting Iranian official said.

Iran's Deputy Minister of Mines and Metals Dr. 'Ali Shams Ardakani said the above adding that the comparative economic advantages enjoyed by both countries, have resulted in bigger bilateral trade volume and closer economic ties.

Trade between the two countries, which amounted to dlr. 73.46 million in 1989, rose to dlr. 94.62 million in 1990. The amount decreased to dlr. 71.15 million last year due to the drop in Malaysia's import of crude oil and Iran's import of palm oil.

Ardakani is deputy minister for economic and international affairs and also president of the Qeshm free trade zone.

A Malaysian public listed company, Ekran Berhad, is a major developer of the Qeshm island in the Persian Gulf. Ardakani arrived here on Tuesday for a one-week visit.

He said the purpose of his visit was to follow up the agreements signed by companies and businessmen from both countries thus far.

He is scheduled to meet economic adviser to the Malaysian Government and the former Finance Minister Daim Zainuddin, Malaysian state-owned oil company (Petronas) Chairman Basir Ismail and several leading businessmen, and visit several free trade zones during the course of his visit.

On international issues, Ardakani said Islamic countries must adopt an active policy on Bosnia-Herzegovina and take away the initiative from Western countries in resolving the conflict.

He said this might be the only course left for Islamic governments to adopt as it was obvious that Western powers and the United Nations were unable to deal with the problem.

"It is mind-boggling that the United States, the so-called advocate of democracy and human rights, and its European allies, can continue to deliberate while millions are being killed, purged, raped and tortured under their very eyes and noses.

"If they can be so efficient to rationalise the importance of protecting the life of one man (Salman Rushdie) who has blasphemed Islam and hurt Muslim feelings in the name of human rights, why are they not doing the same for the Bosnians?"

He said the conflict had dragged on for so long because it had the "tacit approval" of the U.S. and some European powers who share the same animosity towards Islam.

He said such hypocrisy was unacceptable and blamed international mediators Cyrus Vance and David Owen as "gimmick personalities" meant to further confuse the issue.

He said it was not enough that Islamic governments express their sympathy and extend their condolences to the oppressed Bosnian Muslims.

In urging that Islamic nations take a stronger stand on the issue, Ardakani concurred with the Malaysian Foreign Minister Abdullah Ahmad Badawi that oil-rich Islamic nations use the commodity as a "bargaining chip" to end Western paralysis in resolving the conflict.

He added although countries like Iran and Malaysia have provided humanitarian aid and made efforts to provide shelter to some Bosnian Muslim refugees, the best solution would be the lifting of the arms embargo on Bosnia-Herzegovina.

Air Force Plans Assault Helicopter Unit

*BK0807121293 Kuala Lumpur NEW STRAITS TIMES
in English 7 Jul 93 p 2*

[Text] Kuala Lumpur, Tues.—The Royal Malaysian Air Force [RMAF] plans to set up an assault helicopter unit, its chief Lieutenant General Datuk Abdul Ghani Aziz said today. He said the type or number of aircraft to be acquired for the unit had not been determined but it would be sufficient for training purposes. He added that existing squadrons of Alouette and Nuri helicopters could be armed with machineguns, but these aircraft could not be considered as dedicated attack choppers.

Abdul Ghani said this to reporters after a ceremony to promote seven majors to lieutenant colonels at the ministry here. Asked about the six Mi-35 attack helicopters offered by Russia together with the MiG-29 Fulcrum fighter jets, he said the RMAF would consider these aircraft for future purchase.

Defence Minister Datuk Sri Najib Tun Razak announced last Tuesday that the government had agreed to buy 18 MiG-29s, and eight F/A-18D Hornet from the United States subject to certain conditions.

Abdul Ghani said the proposed helicopter unit would not clash with the proposed Army Air Corps which would essentially be involved in the ferrying of troops and equipment. He said the helicopter unit would be involved in close air support, heavy lift, and logistics movement. He also said the aging fixed wing transport aircraft squadrons would be replaced.

The RMAF was also studying how best to utilise the F-5E fighter jets and A-4 Skyhawk bombers when the MiG-29 enters service. He said the RMAF had chosen a group of pilots for training in Russia to become MiG-29 instructors.

Team To Visit Russia To Assess MiG-29

*BK0807125893 Kuala Lumpur BERNAMA in English
0704 GMT 8 Jul 93*

[Text] Kuala Lumpur, July 8 (OANA-BERNAMA)—An Air Force team of experts will visit Russia next week to evaluate new technology to be incorporated into the MiG-29 fighter aircraft Malaysia is planning to buy from there.

Defence Minister Najib Razak said Thursday Air Force Chief Lieutenant General Abdul Ghani Aziz would lead the team to assess operational details of the aircraft to ensure they meet Malaysia's requirements. They will in particular look at the latest technology that will enhance the MiG-29's performance in operations and combat, he told reporters.

He said the assessment would ensure that new technology and capabilities to be incorporated in the MiG-29, also known as Fulcrum, would not jeopardise the aircraft's basic safety and performance.

Najib said the government would only confirm its intended purchase of 18 MiG-29s and eight U.S.-made F/A-18D Hornets when Russia and the United States complied with all terms and conditions, especially relating to the operations and performance of the aircraft.

Former Communist Defectors' Reunions Banned

*BK0807140193 Kuala Lumpur Radio Malaysia
Network in Malay 1300 GMT 8 Jul 93*

[Text] People have been warned against trying to revive the communist ideology among former members of the Communist Party of Malaya [CPM] by holding reunions and exchanging greetings. Tan Sri Rahim Mohamed Nur, deputy inspector general of police, said he also did not want to see former ISA [Internal Security Act] detainees hold get-togethers with former CPM members.

He also ruled out the possibility that former CPM leader Chin Peng would return to Malaysia. At present, not many former CPM members are still living with Chin Peng and the majority of them have returned to Malaysia. He urged members of the public to cooperate with police in the rehabilitation of those who have rejoined Malaysian society and wanted to start a new life.

Talking on the supervision of illegal immigrants, Tan Sri Rahim said police will continue to be deployed at strategic places, especially in Johor, Selangor, Melaka, and Negeri Sembilan, and Perak.

Finance Minister Projects 4% Inflation Rate

*BK0807065693 Kuala Lumpur Voice of Malaysia in
English 0600 GMT 8 Jul 93*

[Text] Finance Minister Datuk Sri Anwar Ibrahim has said the country's inflation rate is projected to drop to 4 percent this year and decrease further thereafter. He said it will be a world record to reduce the inflation rate to

below 4 percent in such a short period. According to statistics, the inflation rate was 4.7 percent last year.

Datuk Sri Anwar said the country's foreign reserve stood at 52 billion ringgit compared with the external debt which had decreased to 39 billion ringgit. The minister said the success in bringing down inflation and foreign debt was due to the government's austerity drive where development allocations were carefully spent. However, he regretted that some government agencies had been wasteful and that their spendings did not benefit the poor. Although the country was enjoying rapid economic growth, he said, Malaysians should not be complacent.

Cambodia

Sihanouk: Force May Be Needed To Deal With KR

*BK0807124693 Hong Kong AFP in English 1144 GMT
8 Jul 93*

[By Kevin Barrington]

[Excerpt] PHNOM PENH, July 8 (AFP)—Cambodian head of state Prince Norodom Sihanouk told the government Thursday that it might have to use force against the Khmer Rouge [KR] a day after the faction captured the historic Preah Vihear temple.

"The prince said that sooner or later we will have to use force against the Khmer Rouge if they are still rejecting to go ahead with the national reconciliation process," government Minister of Information Khieu Kanharit said.

A group of between 70 and 100 Khmer Rouge guerrillas captured the 1,000-year-old Preah Vihear Temple in a prawn attack Wednesday. The prince has demanded that the Khmer Rouge immediately return the hill-top temple, which straddles the Thai border, to the government. Sihanouk added that if the recalcitrant Khmer Rouge failed to hand back the temple and continued to maintain their autonomous zone along the Thai border, they would be declared outlaws.

Sihanouk has a personal attachment to the temple as it was occupied by the Thais in the late 1950's, but won back by Cambodia [word indistinct] years later when the prince took Thailand [words indistinct] the issue. Sihanouk sees the [words indistinct] zone one of (his greatest) achievements.

The prince [words indistinct] and joint president of Cambodia's government, Prince Norodom Ranariddh, met with Khmer Rouge official Kor Bunheng late Wednesday to demand the return of the temple. Kor Bunheng was in the capital to prepare for the expected return of Khmer Rouge nominal leader Khieu Samphan.

He told the prince he [words indistinct] about the incident but would ask his boss for an explanation," Khieu Kanharit said. [quotation marks as received]

The government has accused the Khmer Rouge of duplicity in seeking a role in Cambodian politics in a strongly-worded statement which demanded the return of the famous ruins. [passage omitted]

KR Said Facing Bleak Future as Factions Unite

*BK0407131493 Hong Kong AFP in English 1109 GMT
4 Jul 93*

[By Kevin Barrington]

[Text] Phnom Penh, July 4 (AFP)—The Khmer Rouge [KR] appear to have softened their stance by offering to join the new government's united armed forces but observers say the move is no surprise as the faction struggles against the greatest threat to them since the Vietnamese invasion in 1979.

"Their present activity shows they have recognised the enormous defeat they suffered as a result of the elections," a long-time Cambodia observer said.

National polls, organised by the United Nations last May, led to the creation of a coalition government grouping the radical faction's arch enemy, the Phnom Penh Government, and their two former resistance allies, the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the smaller Buddhist Liberal Democratic Party.

"There is a real possibility that the Khmer Rouge will become totally marginal to Cambodia's future because of their great tactical error in not following through with the Paris agreements," said the observer, who declined to be identified.

The Khmer Rouge had refused to join the peace process outlined by the Paris accords signed in October 1991. The accords called on all factions to disarm their troops and prepare for UN-organised polls.

As early as February last year, Khmer Rouge leader Pol Pot described the worst-case scenario for his faction, saying that it would involve the three other main Cambodian factions forming a government.

The coalition government would then receive international recognition and lead the Khmer Rouge's traditional key allies China and Thailand to join world consensus.

According to the observer, that scenario may already be happening.

"They (the Khmer Rouge) were playing with their own existence, and the policies and tactics dictated by Pol Pot and (right-hand man) Noun Chea were a massive error," he said.

But getting back into national politics could prove difficult with faction leaders being forced to deal with Prince Norodom Sihanouk, who has been named head of state

and recently dismissed the notion that the radical faction had changed just because they were now prepared to negotiate.

"They are still the same as before unless Pol Pot, Ieng Sary, Ta Mok and Noun Chea die," the prince said, listing the notorious leaders of the shadowy guerrilla faction.

The observer said: "They are trying to worm their way into the new (order) and at the same time preserve their force against future eventualities but Prince Sihanouk understands this fully."

"They are buying time hoping the coalition government falls apart of its own weight or proves itself incompetent," he added.

But the prince was playing the radical faction at their own game, he said.

"Prince Sihanouk's interests are to delay the Khmer Rouge so that they do not resort to violence and the people can then see that the new Cambodia is working."

Meanwhile, the prince was also allaying the guerillas' fears of marginalisation by insisting there was a role for them in Cambodian society.

However, the only public role that has been mentioned for the Khmer Rouge so far is the possibility of them joining the new united Cambodian armed forces.

But the politics of the offer could put the Khmer Rouge in an even less advantageous position.

"Prince Sihanouk and the new joint administration are perfectly positioned to require important concessions from the Khmer Rouge such as disarmament and access to their zones," he said, speaking of the 20 percent of the country controlled by the faction.

One UN observer said: "The people have shown that they want peace, so it would be better if the Khmer Rouge were included in some way. If they want to be a player they can only do it politically. Sihanouk and others have doubts about this so they will need concrete massive concessions."

But Deputy Foreign Minister Uch Kiman was cautious about the offer, saying, "The Khmer Rouge are not sincere and Prince Sihanouk warned us to be careful."

'Difficult Position' of Khmer Rouge Viewed

*BK0507023893 Bangkok BANGKOK POST in English
5 Jul 93 p 4*

[From the "Cambodian Diary" column by Jacques Bekaert: "Khmer Rouge Could Be at a Turning Point"]

[Text] Phnom Penh—A new name, Cambodia (as it was called before 1970) a new flag (the same as before 1970), a new national anthem (only a few words have been suppressed from the pre-1970 anthem). The country is

going back to its most peaceful past as it tries to catch up with time lost during war, revolution and occupation.

Most Cambodians seem happy. The elections went well, and the people proved that they wanted elections. There is a new government and most people I talked to say a coalition is a good idea, the only chance for peace.

Of course everybody knows that the Cambodia People's Party (CPP) lost the vote. Especially in the large cities. They hardly got 25 per cent of the vote in Phnom Penh, not much better in Sihanoukville. A few people ask: why should the CPP receive as many ministries as FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], which won? The majority appears to accept that it is the best way, a kind of compromise engineered by Prince Sihanouk to prevent further deterioration of the situation, and keep everybody in mid water.

Is it constitutional, wonder Westerners? Such a question does not preoccupy the Cambodians. They believe that nothing is more important than to preserve peace. "To keep the CPP quiet you have to give it something," explains a Cambodian observer. "Otherwise it could become dangerous."

Of course the CPP still, by and large, controls the Army, the security forces and the police. For example, the security forces have a fairly complex organisation. Who is doing what? Does the A92 still exist? Did it ever exist? Attentive observers of the Cambodian scene probably remember the famous A3 special police. A force trained in counter-espionage, equipped for political surveillance.

A3 has officially been dissolved, although some members of the former resistance claim that during the electoral campaign, A3 officers were busy putting pressure on the opposition. Maybe it was the new A92.

A confidential memo of the Ministry of National Security probably dating from April, indicates that there was a plan to build a new "more special" force in order to "win the trust of the opposition parties so as to create the conditions for seizing control of their most important functions." A92 members were expected to "get a grip on the economic forces that are serving these organisations, on the assignment being given to their underground operatives, and on their internal psychological problems."

A92 was also expected to "carry out...the destruction and forestallment of the stratagems, plans, methodologies, tricks and activities of the opposition parties." The commander of A92 was supposed to be Brigadier General Te Chay.

I have no idea if the plan was ever carried out and if A92 is now just another minor footnote in the history of the electoral campaign and the many attempts to derail the democratic process or if it still functions somewhere below the surface. I suspect that nobody cares much, since the elections are over, and even if the CPP lost, it will probably manage to keep more than its share of the pie.

Most Cambodians agree that this is the price to pay for civil peace. And almost everybody wants peace more than anything else.

Do the Khmer Rouge want peace? It is still unclear but something is happening that leads many diplomats and other observers to believe that the Party of Democratic Kampuchea (PDK) is at a turning point.

Mr Chan Youran, the PDK ambassador to Peking arrived in Phnom Penh last Thursday. He met with Prince Sihanouk, General Sanderson, and Friday morning with Mr Akashi. Contrary to some reports, he did not offer clearly to open territories under Khmer Rouge control to the UNTAC [UN Transitional Authority in Cambodia], nor did he suggest that the National Army of Democratic Kampuchea [NADK] should join the ranks of the future National Cambodian Army. "He was very unclear about the role of the military," said a source close to the talks. Prince Sihanouk himself was not especially optimistic about what the Khmer Rouge will do in the future.

Earlier in the week Gen Sanderson went to a location in Banteay Meanchey to meet senior NADK commanders. But the Khmer Rouge failed to show up for the rendezvous. "There seems to be plenty of confusion among Khmer Rouge leaders", explained another source. "They are facing a new situation and are probably not sure how to react to it."

The Khmer Rouge failed to sabotage the elections. Before the vote they claimed that the election was illegal. They more or less accepted the results later, since FUNCINPEC, and not the CPP had won. "How could the Khmer Rouge propaganda still convince people that the CPP is selling the country to Hanoi, since the CPP lost, and Hanoi was prompt to distance itself from the strange secession led by Prince Chakkrapong," wonders a senior UNTAC official.

What Chan Youran asked of Mr. Akashi was to make sure that Mr. Khieu Samphan would be able to come back to Phnom Penh as soon as possible and to ensure that his security would be guaranteed.

The Khmer Rouge leadership must indeed be in a difficult position. The group has hardly any friends left. China does not seem very interested anymore. FUNCINPEC, its reluctant allies during the years of the resistance, is now "in bed with the SOC" as one Western official said.

One could consider that during the weeks before the elections the Khmer Rouge did their best to disrupt the process, and that it failed. Some UNTAC reports are beginning to wonder if there is a split at the top, between hardliners like Ta Mok and the rest of the Khmer Rouge. Most incidents since the elections have taken place along Highways 5 and 6, Ta Mok's territory.

Other low ranking Khmer Rouge commanders have recently approached UNTAC officers in search of assistance. They claim they have little food, no medicine and are tired of fighting. Of course to join the new Cambodian Army would be one way out for the NADK, or at least some of their men. And should the National Assembly decide that the country should have two houses, the members of the second being appointed, it could leave some for a minor political role to Khmer Rouge personalities.

If the next government of Cambodia is fair, relatively honest and concerned by the plight of the majority of the peasant population, we could then—maybe—witness the end of one of the most radical groups in recent history.

Defense Cooperation Pact Signed With France

BK0607131293 Hong Kong AFP in English 1205 GMT 6 Jul 93

[Text] PHNOM PENH, July 6 (AFP)—Cambodia's two defense ministers, Prince Norodom Ranariddh and Hun Sen signed an agreement here Tuesday with their French counterpart Francois Leotard to cooperate in the restructuring of Cambodia's armed forces.

After a study to determine Cambodia's needs, France will offer proposals to the Cambodian defense ministry on the size and training of the Cambodian armed forces and the establishment of a police force based on a French model, an official French source said. Cambodia's armed forces currently number 100,000 men, but will be cut to 50,000. The agreement however stipulated that France will not be the only country responsible for reorganizing Cambodia's defense. The source said that France does not have the financial means to assume sole responsibility for the effort, and that other countries such as Australia, Malaysia and Japan have expressed interest in cooperating in the same field.

Leotard said Monday that "several dozen" French troops will be left in Cambodia, including several police, after the departure this fall of French United Nations peace keeping forces.

VGNUFC Assails 'Evil' Foreign Control

BK0607094793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Jul 93

[Editorial: "The Cambodian Nation and People Resolutely Oppose Further Aggression and Occupation of Cambodia by Old and New Vietnamese and Will Not Allow Foreigners To Scramble for Control of the Cambodian Armed Forces and Police"]

[Text] I. There were reports that some foreigners are scrambling for control of Cambodia's Armed Forces and police. The French want to control the entire Cambodian Armed Forces and police while the Americans, British, and Australians want to control all of Cambodia's Armed Forces and police.

The reports said that the French, Americans, British, and Australians are competing for and even quarreling over control of the Cambodian Armed Forces and police. The Americans, British, and Australians want the French to control only the Cambodian Army while they—Americans, British, and Australians—control the Air Force and Navy.

II. They are now arguing and pressuring the Cambodians over formation of the interim government.

Concerning this matter, public opinion asks: What is this? Is this Cambodians controlling their own national affairs themselves, particularly troops and police, or is this letting old and new colonialists control Cambodian troops and police? If these foreigners are allowed to control Cambodian troops and police, who are active fighting and suppressive forces, is Cambodia neutral then? Or does this mean that there are foreign military bases in Cambodia? Under foreign colonialism, the Cambodian Army would become a tool of foreigners. The latter will manipulate the Cambodian Army at will; they will do anything they want, using the Cambodian Armed Forces and police to interfere with neighboring countries in line with their interests. They will foment and create troubles with neighboring countries, thus creating unrest between Cambodia and its neighbors. This will make Cambodia a victim of foreign control of its Army and police.

III. Upon hearing this news, the Cambodian nation and people are furious. This is because while the millions of old and new Vietnamese have not yet left, upon hearing that an interim Cambodian Government which will exist for just three months has been set up, the evil foreigners immediately have started to tear interfere with the Cambodian nation and people. This is a two-headed government and it functions separately. Thus, the Vietnamese structures are still embodied in this interim government from top to bottom. As for the assembly which has emerged from the elections, it is in confusion because the old members belonging to the Vietnamese aggressors are still in control of their own forces. Despite this situation, some foreigners have come to compete in interfering with the Cambodian nation and people in all aspects, particularly in controlling the Cambodian troops and policemen.

The Cambodian nation and people are hurt and furious because the foreigners claim that they advocate democracy, human rights, and freedom, but in practice they are interfering with the Cambodian nation and people. They are competing for control over the Cambodian Army and police forces at a time when the old and new Vietnamese forces are still everywhere in Cambodia. The foreigners claim that they have deep sympathy for the Cambodian nation and people, but in fact they are vultures, satans, and devils who think only about interfering with and sucking the blood from the Cambodian nation and people.

The old and new Vietnamese have been sucking the blood from the Cambodian nation and people for the

past 14 years and continue to do so. Now the new demons are here to scramble for a chance to suck the blood from the Cambodian nation and people. Is this democracy; is this freedom; is this the right to self-determination for the Cambodian people; is this justice; is this law; is this the UN Charter?

IV. In the face of such a situation, what will the entire Cambodian nation and people, particularly the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Buddhist Liberal Democratic Party elected by the Cambodian people, do concerning this matter? What should be done? What line should be taken? Should the nation be independent or someone's slave? Should the nation be at peace or continue to be at war? Should the nation be united or split? Should the nation be neutral or in the company of Vietnamese or other groups? To these questions, the Cambodian nation and people have come to the following conclusion:

A. The old and new Vietnamese who have controlled Cambodia for the past 14 years remain the fundamental problem that the Cambodian nation and people must settle. The people voted for certain political parties so they could settle this problem of the old aggressors in order to bring peace and independence to Cambodia. Do not think that the Cambodian nation and people have forgotten about this matter. They will not forget it nor let anyone ignore it.

Concerning the Vietnamese puppets and their top-to-bottom Vietnamese state structures and laws for Vietnamese aggression and occupation of Cambodia, all of them must be dissolved after the elections and the formation of the Constituent Assembly and the interim government. They should not remain as Vietnam's State of Cambodia and its parliament. The Vietnamese laws for killing the Cambodian nation and people must not exist any longer. All of this is for Cambodia to be independent, peaceful, unified, neutral, and sovereign with its territorial integrity.

B. Regarding the new bandits, the parties which have been elected by the people, excluding the Vietnamese puppets who have betrayed and sold out their own nation for the past 14 years, must settle this matter. They must constantly maintain national independence, unity, and sovereignty with territorial integrity and safeguard the Cambodian people's right to self-determination and must not allow foreigners to interfere in Cambodia's internal affairs. Particularly, they must not add the new aggressive bandits to the old ones.

The Cambodian nation and people want to be in contact with all foreigners. They very much want good contact but they definitely do not want foreigners to interfere with and meddle with the Cambodian nation and people. The Cambodian nation and people firmly adhere to peace, independence, unity, rights, freedom, democracy, human rights, international law, the UN Charter, the Paris agreement, and the outcome of the elections. The

old and new Vietnamese aggressors and their puppets are the ones who have destroyed the above principles. The evil foreigners have also destroyed the above principles. The Cambodian people and the whole world have clearly seen their evil faces.

VGNUFC: France Wants To Control Forces

BK0807041493 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 7 Jul 93

[Text] French Defense Minister Francois Leotard arrived in Phnom Penh on 5 July. What was the purpose of the French minister's visit to Phnom Penh?

According to various observers, Leotard came to Phnom Penh to put pressure on Cambodians so France can command and control the Cambodian troops. It had been reported that France was in conflict with the United States, Great Britain, and Australia over the control of the Cambodian military and police forces.

The national and international communities are of the opinion that the aforementioned vultures were rushing to tear apart and devour Cambodia's flesh while the country has not yet recovered peace.

Come what may, the Cambodian nation and people will never allow those people to come and join the Yvon [Vietnamese] aggressors to tread on their heads.

Sihanouk Addresses Aid Recipients

BK0607112593 Phnom Penh National Voice of Cambodia Radio in Cambodian 1300 GMT 5 Jul 93

[Text] At 0900 on 5 July at the Phoucheani Hall in the Royal Palace, His Royal Highness [HRH] Prince Norodom Sihanouk, father of the nation and head of state, and the royal consort, distributed aid—gifts from the PRC and the Kingdom of Thailand—to delegates representing people from various Cambodian provinces. The aid consists of about 1,647 boxes of medicine, along with mosquito nets, blankets, and scarves, which were distributed directly to these representatives. The prince talked to his children attending the occasion in the following terms:

[Begin Sihanouk recording] Greetings to nuns, elders, compatriots, children, and grandchildren—who are greatly missed by the prince father and princess mother. Greetings to excellencies, compatriot ladies and gentlemen, and ladies and gentlemen who are great friends of our Cambodia, in particular the representatives of the following major countries, our good and respected friends the PRC and the Kingdom of Thailand.

The PRC is generous, (?affectionate), and friendly to our Cambodian people. It has today given me a large amount of aid, that is a lot of assorted medicine, for me to distribute to my beloved children, the people in Cambodia in all the provinces, cities, and (?some districts.) Today, I am very happy that His Excellency [H.E.]

Charges d'Affaires of the PRC Embassy H.E. (Yang) and H.E. (Peng) are here to represent our great and glorious friend, the PRC. A number of Chinese ladies and gentlemen are also here, from UNTAC [UN Transitional Authority in Cambodia], who is coming to help us find peace and freedom the way Cambodia was.

Also, greetings and thanks to the great and glorious Kingdom of Thailand, represented here by H.E. Charge d'Affaires and (?two other) personalities, at the Phoucheani Hall in the Royal Palace. The Kingdom of Thailand has donated the prince father a lot of goods, including medicine, blankets, mosquito nets, and scarves, for the prince father's children. I, therefore, am happy to distribute this to compatriots and children present here and representatives from the provinces who have not yet arrived because they are coming from far away and have difficult journeys. They will be here later. Once they arrive, they will be given the same things.

I would like to take this opportunity to express thanks to the children in the Cambodian People's Party [CPP] and the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] for designating delegates to receive the aid from the prince father today.

One more time, many thanks to the PRC and its government. Thanks to the Kingdom of Thailand with its (?two excellencies) present here. Profound and many thanks and warmest welcome to you.

I am very glad today. My wife, the princess mother, is also very happy, to have met with elder and younger brothers and sisters, and probably some grandchildren. Well, it looks as though there are only adults. I would like like to tell you, children, that I am very happy to meet all of you, noble and dignified delegates from our beloved provinces—provinces of independent and peaceful Cambodia, which we have just rebuilt together. A few years ago, we did not expect that we would arrive at this point, like in the era of the prince father in the 1950's and 1960's, the Sangkum Reas Niyum [name of Siha-nouk's former political party] era. We have now reached that goal, like in the Sangkum Reas Niyum era. That is, our Cambodia is no longer split. Various Cambodian parties have agreed to do what the prince father has requested.

First, there is no more fighting, no destruction to the country, and no more insecurity in the country. Second, there is unity and the establishment of national reconciliation and a national union government. There was a general election with the assistance of UNTAC; this was very successful. From now on, we will make our country an independent, neutral, and nonaligned state, like before in the prince father's era, the Sangkum Reas Niyum era. It is a country with full territorial integrity and independence with national union; it is not split the way it was between 1970 and 1992. During this period, as you know, we went through great disasters. We faced a lot of hardship. This year, we are happy to have solved

major problems, basic problems of our nation. We are now entering a new era in which we are rising again as an independent, peaceful, and noble country with civilization. We are thus very happy. This is the result of the deeds and merits we have made together through our sacrifice and the protection of Buddhism and the clergy. Monks have made great merit and assisted us in moving toward the direction to successfully solve these problems. So, our Cambodian ship is not sinking anymore. It has safely reached its port; that means all of us who have served our nation and motherland.

This is a good time for you, compatriots and children, to travel from various provinces to see the prince father and the princess mother at the Royal Palace in our capital, Phnom Penh. A National Assembly has now been established. You can visit the National Assembly and meet with your representatives there. We also have a new government, a national union government. The parties for which you, beloved and respected compatriots, the voters and masters of the land, have voted—namely FUNCINPEC, the CPP, the Buddhist Liberal Democratic Party, and the MOULINAKA [National Liberation Movement of Cambodia] Parties—are now in the National Assembly and in the government to represent our entire nation under Buddhism and the head of state, that is the prince father. Thus, you can contact them as you wish.

The National Assembly also has its leaders—H.E. Samdech Son Sann as chairman and H.E. Chea Sim as vicechairman. In the government, the cochairmen are Prince Kromluong Norodom Ranariddh and H.E. Hun Sen—Prince Norodom Ranariddh represents the FUNCINPEC side and H.E. Hun Sen the CPP. They are the cochairmen leading the Cambodian Government.

I would like to inform you that I am honored, along with our good friends, the PRC on one hand, and the Kingdom of Thailand on the other, to do the distribution here.

The medicine will be distributed to various provinces. Doctors and representatives from various provinces, please accept it, with representatives of the people from those provinces as witnesses, for our needy people to use and for treating them. These medicines are really useful for us. These are not medicines that we do not need; they are all greatly needed. The Kingdom of Thailand has also donated some of these medicines.

They are also distributed to delegates, nuns, wisemen, elders, younger brothers and sisters, children, and compatriots present here. I and the royal consort, and the Kingdom of Thailand whose representatives are here, will distribute to all of you today. This consists of blankets, mosquito nets, and scarves, in one packet. I also have a bit of money to give too, 10,000 riel for each person; my personal gift. This is given as a little symbol of my affection. After the ceremony, please have some refreshments and snacks. H.E. Kong Sam-ol, deputy prime minister, has helped me a lot. I have now appointed him palace minister. He, on behalf of the CPP,

has been in charge of everything since I returned. Please go ahead, Cambodian compatriots, enjoy the refreshments. Dear Chinese and Thai friends, please, the drinks are over here. This is the program for today.

Before bestowing wishes on you, here is a list of the provinces that have dispatched representatives, and medical and civil delegates: Battambang, Kompong Thom, Banteay Meanchey, Siem Reap-Oddar Meanchey, Phnom Penh city, Kompong Som, Kandal, Kompong Speu, Pursat, Takeo, Prey Veng, Koh Kong, Kampot, Kompong Chhnang, Kompong Cham, and Kratie. The provinces whose delegates have not yet arrived in Phnom Penh are Svay Rieng, Preah Vihear, Stung Treng, Ratanakiri, and Mondolkiri. They will be welcomed later. Now the welcome is for 16 provinces.

May the triple jewels, the merit and deed of angels, gods, and previous kings and queens, look after all the 8 to 9 million of you, compatriots, children, grandchildren, and great-grandchildren in Cambodia. May you enjoy the five Buddhist blessings: longevity, social prestige, happiness, strength, and enlightenment.

Thank you very much. Palace Minister: Now let us start distributing the medicine. Please help. Takeo Province: 11 cartons of Vitamin B, 18 cartons of B-1 vitamin, three cartons of B-2 vitamin, four cartons of B-12 vitamin, four cartons of B-12 vitamin, 17 cartons of vitamin C, four cartons of quinine tablets, and 13 cartons of serum. They are there, in the back. Please sign for acceptance. Look at the goods; there is a lot.

I would like to take this opportunity to thank my beloved children who labored all day and night yesterday, under H.E. Deputy Prime Minister Kong Sam-ol, to deliver all these goods. Thank you very much; may you receive a lot of merit. You have been working very hard, day and night, dealing with transportation. Please bring all the goods here to show our compatriots from the provinces. Look at them, they are like mountains. There are a lot of goods, many tonnes. About how many tonnes H.E. Palace Minister? Over 40 tonnes. A tonne is 1,000 kg. So, 40 tonnes are equivalent to 40,000 kg; there is a lot of goods. Those of you with health problem can be helped; quite a few can be helped. This does not mean that my assistance can change all sorts of things. There is also aid from other countries. Some humanitarian organizations have also helped. I will pass along whatever I have, every month, every year. I have been doing this since my return. There is also some personal contribution.

So, let us offer a symbolic distribution to all 16 provinces, including FUNCINPEC. Are these for symbolic distribution only? Or is this also not possible? Or just leave them there on the table for exhibition? So, let us leave them there. So, invite the 16 representatives to come.

Coalition Government Circular on Gambling

BK0707074393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 6 Jul 93

["Circular of the Provisional National Government of Cambodia to Provincial and Municipal Governors Nationwide"—read by announcer]

[Text] Subject: Gambling

Public opinion has noted that in crowded places in a number of provinces, municipalities, districts, precincts, communes, and wards, many large and small, public and secret gambling places exist. These are at present spreading, particularly in Phnom Penh City, causing the loss of public order and security. They are also a source of various acts of thievery. This phenomenon has greatly worried citizens; they are concerned about family and individual security.

This calls for an urgent solution to prevent these acts from taking place in society and the nation in order to maintain peace and happiness for our citizens.

Faced with the above situation, the Provisional National Government of Cambodia [PNGC] issues this order to provincial and municipal governors nationwide to take the most effective measures to prevent and ban all types of gambling dens.

Once this circular is received, provincial and municipal governors should start implementing it and report to the Interior Ministry by the end of July 1993 the results achieved in dealing with the above problems.

[Dated] Phnom Penh, 5 July 1993

[Signed] Prince Kromluong Norodom Ranariddh, Hun Sen
The Cochairmen of the PNGC

Circular on Public Order

BK0707074993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 6 Jul 93

["Circular of the Cochairmen of the Provisional National Government of Cambodia to Provincial and Municipal Governors Nationwide"—read by announcer]

[Text] Subject: Public order and security

Public opinion has noted that in many provinces, municipalities, districts, villages, and wards, public order and security are lacking. Thievery, banditry, murder, and the illegal use of weapons and explosives have deprived citizens of warmth in their peaceful lives which the citizens are ardently demanding.

The government requests that provincial and municipal governors nationwide take immediate measures to suppress thievery, banditry, and murder; to search for illegal weapons

and explosives; and to send offenders to the tribunal for punishment in accordance with existing laws.

After receiving this circular, all provincial and municipal governors should report in writing to the Interior Ministry within a month, by the end of July 1993, on the results achieved in dealing with the above problems.

[Dated] Phnom Penh, 5 July 1993

[Signed] Prince Kromluong Norodom Ranariddh, Hun Sen

The Cochairmen of the Provisional National Government of Cambodia

Ranariddh, Hun Sen Sign Circular on Name, Flag

BK0607132593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 6 Jul 93

[Circular on Cambodia's name, national anthem, and royal portrait; dated 2 July and signed by Prince Norodom Ranariddh and Hun Sen, cochairmen of the Provisional National Government of Cambodia—read by announcer]

[Text] With reference to the decree by the head of state of Cambodia dated 29 June 1993, the Provisional National Government of Cambodia [PNGC] would like to provide the following directive to all ministries, establishments, and all provincial and municipal governors:

1. The name of the State of Cambodia is Kampuchea in Cambodian; Cambodge in French; and Cambodia in English.

2. Cambodia's national flag is the flag that the country had before 18 March 1970. A model and dimensions will be provided later.

3. Cambodia's national anthem is the Nokoreach, which Cambodia had in the 1940's, 1950's, and 1960's, with the first stanza removed. The tune remains unchanged.

The PNGC has further decided that at offices and working places of ministries, establishments, services, and units, the royal portrait of His Royal Highness Prince Norodom Sihanouk, head of state, who is our revered father of the nation, be displayed. The model of the royal portrait will be provided later.

This circular shall be implemented as of now.

Done in Phnom Penh, 2 July 1993

[Signed] PNGC cochairmen, Prince Kromluong Norodom Ranariddh, Hun Sen

Sign Circular on Ownership

BK0607132093 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 6 Jul 93

[“Circular of the Cochairmen of the Provisional National Government of Cambodia to Provincial and Municipal Governors Throughout Cambodia” dated 3 July—read by announcer]

[Text] Subject: Current legitimate ownership by citizens of public property

With reference to the communique of the Provisional National Government of Cambodia [PNGC] dated 2 July 1993, and in view of the cruel incidents observed in many provinces, cities, districts, villages, and wards concerning the dispute to take possession of land, houses, buildings, open spaces, and public parks, causing worries among citizens about their property, urgent assistance to solve the problem is called for.

The PNGC requests that all provincial and municipal governors nationwide take urgent measures to ensure the protection of the citizens' current legitimate ownership such as land, houses, and state property including schools, open spaces, and public parks. Trespassers should be sent to the tribunal for punishment in accordance with existing laws.

After receiving this circular, all provincial and municipal governors should report in writing to the Interior Ministry within one month, that is by the end of July 1993, about the results achieved in dealing with the above problem.

[Dated] Phnom Penh, 3 July

[Signed] PNGC cochairmen, Prince Kromluong Norodom Ranariddh, Hun Sen

SRV Premier Greet Ranariddh, Hun Sen

BK0907064893 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 8 Jul 93

[“Message of Greetings” to Prince Norodom Ranariddh and Hun Sen, cochairmen of the Provisional National Government of Cambodia, from SRV Premier Vo Van Kiet—date not given]

[Text] On behalf of the SRV government and in my own name, I would like to convey the warmest, best wishes to your highness and your excellency on the appointment of you both as the cochairmen of the Provisional National Government of Cambodia [PNGC].

May the relations of friendship between our two neighboring countries, Vietnam and Cambodia, and the relationship between the governments of our two countries further consolidate and develop.

May your highness and your excellency enjoy the best of health and achieve every success in the implementation of your lofty mission.

Sihanouk Greets Chea Sim on Assembly Appointment

BK0307161693 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Jul 93

["Message of His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, to His Excellency Supreme General Chea Sim, chairman of the Cambodian People's Party and first vice chairman of the Constituent Assembly;" dated 30 June—read by announcer]

[Text] Highly esteemed excellency: I and my wife are very happy after receiving the good news this morning that the Constituent Assembly [CA] of Cambodia has approved with applause the appointment of your excellency as the first vice chairman of the Cambodian CA. The selection and nomination, which were made with good judgment by the CA, is clear evidence showing your pivotal and key role in the peace plan of our nation and motherland.

I and my wife wish to wholeheartedly compliment you, a prominent statesman endowed with wisdom and love for the sublime motherland, and all members of the Cambodian People's Party for the nationalism and high sense of responsibility you have all shown.

I and my wife have the great honor of extending best wishes to your excellency. May you enjoy the best of health and longevity so you are able to actively and successfully carry out the great historic mission entrusted by the sacred motherland of Angkor.

Your excellency and colleagues, please accept the deepest and warmest affectionate regards from myself and my wife.

[Dated] Phnom Penh, 30 June 1993

[Signed] Norodom Sihanouk

DPRK Counterpart Compliments Sirivut

BK0907072493 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 8 Jul 93

["Message of Compliments" to Prince Norodom Sirivut, minister of Foreign Affairs and International Cooperation, from DPRK Foreign Minister Kim Yongnam—date not given]

[Text] The appointment of Your Highness as minister of foreign affairs and international cooperation of the Provisional National Government of Cambodia [PNGC]

constitutes a happy occasion for me to convey the warmest compliments to you.

Firmly believing in the further developed traditional relations of friendship and cooperation between our two countries, we would like to sincerely extend the best wishes to Your Highness. May you achieve every new, still greater success in the performance of your tasks.

PRC's Li Peng Greets PNGC Cochairmen

BK0907073893 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 8 Jul 93

["Message of Greetings" to Prince Norodom Ranariddh and Hun Sen, cochairmen of the Provisional National Government of Cambodia, from PRC Premier Li Peng—date not given]

[Text] On the happy occasion of your appointment as the cochairmen of the Provisional National Government of Cambodia [PNGC], on behalf of the Chinese government and people and in my own name, I would like to extend the warmest compliments to your highness and your excellency.

May the PNGC successfully accomplish its noble mission; may the Cambodian people, under the royal leadership of the Prince Head of State Norodom Sihanouk, continue to score every success for the great cause of safeguarding national independence and peace and the great cause of rehabilitating and rebuilding the motherland, and may the relations of friendship between the peoples of China and Cambodia further strengthen and expand.

Your highness and your excellency, please accept my highest regards.

Editorial Favors Foreign Investment Over Aid

BK0807092293 Phnom Penh CAMBODIA TIMES in English 5-11 Jul 93 p 2

[Editorial: "Investment is better than Aid"]

[Text] The whole world is great at making promises, especially when it comes to using aid as a tool to shape events in target countries. It's easy to make multi-million dollar promises because very often it is a matter of promising now and not paying later. Very few countries actually put their money where their mouths are.

Russia, a strategically important country to the Western world and a real world-class superpower, was promised aid by the United States and European community stretching from here to heaven if it transformed itself from a command to a market economy.

Now that Russia has done exactly that, President Clinton of the US says that it will have to trim its promise by a huge amount because of the ongoing recession faced by America. So there goes another

promise of aid. The same problem is facing Japan and eastern Europe—no money to give away.

Cambodia has been promised all manner of aid by the world community. The Tokyo conference alone last year pledged a staggering US\$880 million. There is however very grave doubts as to whether this large amount will actually be forthcoming. Simply put, the donor countries cannot afford to keep their promises. The recession in those countries has taken care of that. By all means accept what aid we can get, but don't bank on all promises coming true. Most of it will not.

The best route and the most long-lasting one in redeveloping the country lies not in aid but in foreign investment. With it comes the training of locals in new skills and the opportunity for creating large-scale employment and all of it funded by investors.

Place foreign investment as a top priority. Devise rules and regulations that will draw them here and keep them here.

One way to do this is to use those companies that have already invested in Cambodia as role models for others to follow. Let them be living proof that companies from all over the world had, and continue to have, confidence in the future of this country.

Through foreign investment, Cambodia will become a market player in the world economy. Contact with other countries will increase and in no time the country will achieve economic revival. Whichever way you see it, foreign investment beats foreign aid.

VGNUFC Reports SRV Troops Sent to Kampot, Takeo

BK0307033293 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Jul 93

[Excerpts] Reports from Kompong Trach, Tuk Meas, and Angkor Chey/Tani Districts, Kampot Province, say that in mid-June, Vietnam's 9th Military Region dispatched five battalions of its troops to Kompong Trach, Tuk Meas, and Angkor Chey/Tani Districts.

The reports say that Vietnam's 9th Military Region ordered its 8th and 6th Divisions to prepare five battalions for Cambodia to be stationed east and west of Route 16. The reports say that these five Vietnamese battalions comprise 2,000 troops. Their task is to provide guarantees and protection and to consolidate and expand the Phnom Penh puppet state authority in these three districts to enable Vietnam's puppets to move 90 percent of troops to western Cambodia.

The reports further say that once arrived in Cambodia these five Vietnamese battalions took charge of everything. They constantly levy taxes and collect contributions in the forms of money, rice, fish, and meat from the Cambodian people to supply their troops.

The reports say that in fact these troops are already occupying Cambodian territory. These Vietnamese say that there is a Vietnam-puppet agreement to hand over territory in eastern Cambodia to Vietnam and that the Vietnamese have to occupy this territory. They say that no one can come to this area.

View of the people: The people call on the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Buddhist Liberal Democratic Party to also consider this issue and not just think about their ministerial ranks and be engrossed with money and salaries and forget about the people and the electorates. [passage omitted]

In Kaoh Andet, Kirivong, and Prey Kabbas Districts of Takeo Province, the reports say that Vietnam's 9th Military Region has dispatched two battalions of troops to Kaoh Andet and two battalions to Prey Kabbas. The reports further say that when Le Duc Anh was top commander of the Vietnamese aggressor forces in Cambodia, he signed a Vietnam-puppet agreement placing Kirivong, Kaoh Andet, and Prey Kabbas Districts under Vietnam's responsibility and administration. The signatories were Vo Chi Cong, Heng Samrin, Pham Hung, Hun Sen, Le Duc Anh, and Tie Banh.

The reports says that these three districts are Takeo Province's most fertile areas, particularly in fish, meat, and shrimp. These areas have been daily exploited by tens of thousands of Vietnamese aggressor forces since 1979—that is over 14 years, or nearly 6,000 days. [passage omitted]

KR Guards Prepare for Khieu Samphan Return

BK0307105293 Hong Kong AFP in English 1025 GMT 3 Jul 93

[Text] Phnom Penh, July 3 (AFP)—Five members of Cambodia's radical Khmer Rouge [KR] faction arrived in the capital Saturday to prepare for the return of their nominal leader, Khieu Samphan.

The group, consisting of four bodyguards and one low ranking official, left the airport for the faction's compound adjacent to the Royal Palace.

"We came here just to clean the house," one of the guards said.

The compound has lain empty since the Khmer Rouge left in April, a month before national elections which they boycotted, claiming they no longer felt secure in the capital.

Khieu Samphan was scheduled to meet with Prince Norodom Sihanouk before the prince leaves for North Korea on July 11, but the guards said they did not know when their leader would return.

"I hope Prince Norodom Sihanouk will publicly announce the date," one of the guards said.

Khieu Samphan's impending arrival and the visit here of two of his envoys, Chan Youran and Mak Ben, has been interpreted as a sign of the Khmer Rouge softening their stance towards the UN-supervised Cambodian peace process.

Chan Youran and Mak Ben met with the UN Chief Yasushi Akashi Friday.

"They seem to be interested to discuss reintegration of their armed forces into national life," Akashi said after the meeting.

But the two envoys were evasive when asked if their guerilla force would merge with the new government's united armed forces.

"That is another proof that you cannot trust them," said newly appointed Vice-Minister of Foreign Affairs Uch Kiman, formerly an advisor to the leader of the old Phnom Penh government, Hun Sen.

Sihanouk also cautioned against over optimism when he addressed the new government Friday.

"The Khmer Rouge want to negotiate but it doesn't mean they are changing their ways," he said.

Khmer Rouge Attack Kompong Thom Village 28 Jun

*BK0307151293 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1200 GMT
3 Jul 93*

[Text] At 2230 on the night of 28 June, a group of armed Khmer Rouge elements barbarously and cruelly attacked and plundered the inhabitants at Pou village, Tbeng Commune, Kompong Svay District, Kompong Thom Province. As a result, a villager was killed and five others were injured and four cattle were killed and one wounded. The Khmer Rouge soldiers also plundered a significant quantity of our people's belongings, including 19 oxen, five bicycles, 400,000 riel, a sewing machine, and other materials.

Shortly after their retreat from the village, the Khmer Rouge troops were pursued and counterattacked by our village guards who were eventually able to retake two bicycles and a sewing machine for our people.

PDK Claims Desertions From 'Puppet' Regime

*BK0907043193 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 8 Jul 93*

["Clarification of the Party of Democratic Kampuchea" dated 8 July; place not given—read by announcer]

[Text] Scores of desertions by Cambodian soldiers from the Phnom Penh regime have occurred since the beginning of June 1993. This is because:

1. Prince Norodom Sihanouk has become head of state, the Provisional National Government of Cambodia

[PNGC] has already been formed, Prince Norodom Ranariddh has been appointed the cochairman of the PNGC, the Constituent Assembly has been chaired by His Excellency Son Sann, and a national constitution will be proclaimed in the next three months.

2. Both national and international opinions have repeatedly called for national reconciliation.

3. The notoriously corrupt Yuon [derogatory term for Vietnamese] puppets have colluded with the Yuon to plunder the people and to print banknotes to line their own pockets. They have never paid their soldiers, policemen, and officials even if cash was abundant or scanty. They have robbed all the money. They have requested aid from the east or west only to enrich themselves. They have not paid the soldiers. And although each armed unit is made up of only 200 or 300 soldiers, they have declared that it contains between 3,000 and 4,000 troops. This is for the purpose of robbing more and more money. Actually, there are only more than 300 soldiers in Preah Vihear Province, the Yuon puppets have declared 4,000.

That being the case, a growing number of puppet soldiers serving the Yuon war of aggression to kill their own nation and people have continued to desert the Yuon and puppets. As a matter of fact:

1. A battalion of the Yuon puppet soldiers stationed at Boeng Melea in Siem Reap Province has broken loose from the Yuon puppets and rallied to the Party of Democratic Kampuchea [PDK].

2. Two battalions of the Yuon puppet troops in Angkor Chum District, Siem Reap Province, deserted and rallied to the PDK in June.

Besides, the same events have also occurred in Kampot, Kompong Cham, and Pursat Provinces. The Cambodian soldiers have deserted in a group and sometimes, in platoon, company, and even battalion.

[Dated] 8 July 1993

[Signed] Party of Democratic Kampuchea

Indonesia

Outcome of Suharto-Miyazawa Talks Viewed

*BK0907045093 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 9 Jul 93*

[Station commentary]

[Text] It is interesting to note the statement made by President Suharto when he spoke to newsmen Wednesday upon his return from Japan. Acting in his capacity as chairman of the Nonaligned Movement [NAM], the head of state said, among other things, that if at the end of their summit, the Group of Seven [G-7] industrialized nations do not respond positively to NAM's call for a constructive dialogue with developed

nations, then developing countries will have to further promote South-South cooperation. As a matter of fact, President Suharto has proposed an alternative plan. He said that if the developed countries refused to provide soft loans, developing countries of the south could take advantage of international aid even though commercial interest rates will be charged for such loans. This is because efforts to promote South-South cooperation are hampered by the lack of funds. However, the burden could be lightened if all South countries are consistent in their efforts to achieve development goals. One-third of the interest on the loans could be economized because the countries of the South could rely on their own expert staff and basic material for industries if they secured the loans themselves instead of going through countries of the North. This concept should be fully understood by NAM member countries so that it will not appear as though their fate depends on the advanced countries. The fact is the current global economic situation is based on the idea of mutual dependence. In other words, the developed countries in the North are also dependent on the developing countries in the South, and vice versa. The manufactured products from developed countries are mostly destined for markets in the developing countries. The developed countries also obtain primary commodities required for manufacturing goods from developing countries of the South. Probably, the NAM chairman is holding on strongly to this principle to fight for developing countries' aspirations.

The visit by President Suharto to Tokyo at the invitation of Japanese Prime Minister Miyazawa who was given the mandate by G-7 leaders to do so, is an effort to establish a just global economy.

The mission entrusted to the head of state in his capacity as chairman of the NAM is obviously to convey the problems facing member countries that require understanding from developed countries, especially in connection with development funds. If the G-7 leaders ultimately failed to give a positive response to the issues relating to developing nations, then there will be no alternative except to intensify cooperation among countries of the South.

The South-South cooperation had been initiated since the ninth NAM summit in Belgrade in 1989 and it should continue to be promoted to support development in developing countries where the majority of them are poor countries still suffering from poverty, backwardness, and unfair treatment.

Dailies View Outcome of Suharto-Clinton Talks

BK0907093593 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 9 Jul 93

[From the Press Review]

[Text] SUARA KARYA says that when human rights issues were raised during talks between President Suharto and U.S. President Bill Clinton, new challenges and opportunities were opened for Indonesia to explain

its stand on human rights protection to the advanced nations. This daily says that each nation has its own interpretation of the term human rights and Indonesia fully understands issues of human rights protection because the country was colonized for 350 years during which time human rights were violated by the colonial masters.

According to SUARA KARYA, President Suharto's explanation to Bill Clinton on implementing human rights in Indonesia is also a challenge to the U.S. The U.S. is one of the nations that seriously criticized Indonesia on human rights issues, and it has been using human rights issues as political weapons against other nations. If this attitude continues to be adopted, particularly by countries that have a veto right at the UN Security Council, it is feared that this will mark the end of the democratization process in the international organization. Eventually, there will be a lack of trust in the UN, and thus it will be impossible to prevent an outbreak of a cold war that has so far been difficult to settle.

Meanwhile, ANGATAN BERSENJATA and BERITA BUANA dailies believe that members of the Group of Seven have paid great attention to the message on economic issues conveyed by President Suharto in his capacity as chairman of the Nonaligned Movement [NAM] and at the same time, as representative of NAM's 108-member nations.

It is hoped that the G-7, in discussing issues on world economy and trade, will be able to achieve a positive result that in turn brings improvements to the current unpredictable world economic situation marred by recession. The recession will not only obstruct a smooth flow of trade between the developed and developing countries who are traditional trading partners, but it will cause a recession in the developed countries as well.

These two dailies assert that the mission by the chairman of NAM to convey to G-7 leaders the outcome of the 10th NAM summit held in Jakarta in 1992 in which a constructive north-south dialogue was called for, has been successful. These dailies also hope for more follow up activities between the two groupings.

Meanwhile, PELITA and BERITA YUDHA welcome President Suharto's invitation to President Clinton to visit Indonesia. These two dailies say that this proves that Indonesia does not have a guilty conscience when discussing the implementation of human rights protection in the country. This is because Indonesia adopts a balanced understanding between human rights and responsibilities as embodied in the 1945 Basic Constitution. Apart from that, Indonesia has a family-oriented philosophy which strikes a balance between the rights of individuals, groups, and society.

More Delineation Points Agreed With PNG*BK0807160093 Hong Kong AFP in English 0149 GMT
8 Jul 93*

[Text] JAKARTA, July 8 (AFP)—Indonesia and Papua New Guinea [PNG] have agreed on eight more delineation points on their common border, bringing the total now to 52, the official ANTARA news agency said here Thursday.

An agreement was signed by delegation leaders from the two countries on the last day of a three-day joint border technical sub-committee meeting in the South Sumateran city of Bandar Lampung Wednesday, ANTARA said.

The meeting attended by 23 Indonesian officials and 14 from Papua New Guinea, also agreed to set up light towers at the northern and southernmost points of the border to help sea navigation in the area and mark the border.

The two countries share a border of some 800 kilometre (500 mile) long which divides the island of New Guinea into two.

The border delineation process had been agreed on by both countries in 1972 and the annual technical subcommittee meetings, held alternatively in both countries, seeks to agree on the marking.

The upcoming meeting of the sub-committee will be held in Rabaul, Papua New Guinea in July next year.

Students Protest Against Laws Restricting Speech*BK0807063093 Hong Kong AFP in English 0600 GMT
8 Jul 93*

[Text] JAKARTA, July 8 (AFP)—About 50 university students staged a protest rally outside the parliament Thursday, calling for the abolition of several articles of the penal code which restrict freedom of thought and criticism.

The Forum for Communication of Free Students (Forkomm), claiming support from various universities in Java and Bali, called in a statement for the lifting of two particular articles of the penal code.

The articles, a legacy of the colonial legal system, dealt with the intention to undermine the lawful government, the spreading or expression of hatred and enmity towards it.

Forkomm described them as "repressive" and said they were used by the authorities "to stifle criticism."

The group cited the case of two Indonesian students of literature at the Diponegoro state university in Semarang, central Java, who are being tried under the articles for urging voters to spoil their ballot papers in the June 1992 elections.

The prosecution has accused Lukas Luwarso and Poltak Ike Wibowo, both 25, of having expressed enmity and hate against the lawful government. They face up to seven years of jail.

Indonesian officials during the electoral campaign said that while abstention was a voter's individual right, calling on others to do so constituted an activity undermining the authority of the government.

The students' statement referred to another student in Salatiga, central Java, tried under the same law for distributing a calendar featuring armed forces officials pointing guns at people to force them to give up their land for the rich.

In both cases, the students "did not have the intention to replace the power and undermine the government," Forkomm said, adding that both trials should be cancelled.

The group demanded an end to intervention by non-educational forces in university campuses and of harsh action by security members.

Philippines**Ramos Itinerary May Include Mexico, Canada***HK0907042093 Manila PHILIPPINE DAILY
INQUIRER in English 9 Jul 93 p 8*

[Text] President Ramos will go on a working visit to the United States in November and, from there, might proceed to Mexico and Canada, Foreign Secretary Roberto Romulo announced yesterday. If the President also visits Mexico and Canada, he will be away for two weeks, the longest of his foreign travels. These trips will follow Mr Ramos' visit to Indonesia in September.

Mr Ramos' itinerary in the U.S. will include at least six major cities with large Filipino communities. These are New York, San Francisco, Los Angeles, Chicago, Washington, D.C., and Honolulu.

Aside from a meeting with U.S. President Bill Clinton, Mr. Ramos is expected to meet members of several Filipino communities. Clinton's invitation for the President to visit the U.S. was relayed by Deputy Secretary of State Clinton Wharton during a visit to Manila two weeks ago.

Malacanang announced on Monday that Mr. Ramos had accepted the invitation but left it to the Department of Foreign Affairs [DFA] to work out the details with U.S. officials and decide whether it would be a state or working visit. A state visit is mostly ceremonial, with the schedule prepared by the host country. In a working trip, the visiting dignitary's itinerary is prepared by his government. Romulo said it was not definite yet if Mr. Ramos would make a sidetrip to Mexico and Canada.

But a DFA source said the visit to Mexico was already being worked out by a Filipino official and that Philippine Ambassador to Canada Pacifico Castro had been

instructed to do the same. "This will point to a prolonged stay, two weeks, if he (President Ramos) goes to Mexico and Canada. There's no way he could do that in less than two weeks," Romulo said. He added that the President may also visit three Latin American countries—Argentina, Brazil and Chile—sometime next year.

Italian-Made Planes Boost PAF Modernization

HK0907041293 Manila MANILA BULLETIN in English 9 Jul 93 p 21

[Report Ronnie C. de Guzman]

[Text] Villamor Air Base, Pasay City—The Philippine Air Force's [PAF] modernization drive received a push with the arrival of two SF-620 turbo-prop Marchetti trainer aircraft, the first batch of 18 aircraft ordered by the Air Force from Augusta of Italy.

Armed Forces of the Philippines chief of staff Gen. Lisandro C. Abadia, representing the Philippine government, accepted the two trainer planes from representatives of Augusta.

The next two aircraft are expected to be delivered by the manufacturer in December this year, while the rest will be delivered next year. The aircraft were acquired under a counter-trade and technology transfer agreement.

Air Force chief Maj. Gen. Leopoldo S. Acot ordered the trainers thoroughly checked out before they were accepted from the manufacturer's representatives.

The eight AF-260TP Marchetti trainers will replace the aging SF-260 "Mentors" and the SF-160 "Warriors" still being used as trainer aircraft at the PAF Flying School in Fernando Air Base, Lipa City.

Powered by a turboprop engine, the SF-260 TP Marchetti trainer has a maximum speed of 233 knots, cruising speed of 216 knots at 10,000 ft., and a climb rate from sea level of 2,170 ft. per minute. It has a maximum range of 512 nautical miles and service ceiling of 25,000 ft.

World Bank To Make Loans Without IMF Approval

HK0907050093 Quezon City MALAYA in English 9 Jul 93 p 11

[Report by Lou Palpal-latoc]

[Text] Economic Planning Secretary Cielito Habito said yesterday the World Bank [WB] will continue lending to the Philippines even without an economic program approved by the International Monetary Fund. Habito said that Calixto Madavo, WB director for East Asia and Pacific Affairs, assured him that for as long as the Philippines "demonstrates sound economy and stability," the bank will continue to lend the country from \$500 to \$700 million yearly. Earlier, there had been

some fears that the bank might reduce lending to the country if it fails to get the IMF approval on its economic program.

Habito said that the pre-conditions imposed by the WB on the release of new loans are not hard to meet. He said that with or without the IMF program, the government will adhere to its targets of low inflation rate, low lending rate and a sound fiscal policy. "It's not really that hard to meet because they are also our compelling target," Habito said. He said also the Ramos administration does not need the IMF program but that implementation of an exit program will make it easier for the economy to achieve its targets.

Meanwhile, IMF senior resident representative Christopher Browne said that the country can take off without the IMF program since the foundations for a sustainable and more self-reliant growth are already in place. "The foundations ... have been laid by the restoration of financial stability during 1991-1992 with the support provided under the IMF stand-by arrangement and the establishment of political stability under President Ramos," he said.

Browne said that the Philippines can meet its targets under the medium term development plan if it maintains its fiscal and monetary discipline and pursues a comprehensive structural reform program for the economy. "President Ramos has clearly demonstrated his determination to press ahead with his strategy which is strongly supported by the IMF, even though it involves difficult political decisions," he said. Browne said that the Philippines does not need an IMF program because of its high gross international reserves and because of its financial stability, and its return to the international capital market.

Thailand

Officials Cautious on G-7 Tariff Reduction Package

BK0907024593 Bangkok BANGKOK POST in English 9 Jul 93 p 15

[Text] Thai Government and private-sector figures reacted cautiously yesterday to this week's agreement among the world's leading economic powers on a tariff reduction package for the Uruguay Round of world trade talks.

Deputy Prime Minister Suphachai Phanitchaphak described the agreement as "better than expected". But he warned that much still remains to be settled if the Uruguay Round is to be concluded on target this year, and that Third World countries such as Thailand could now come under increasing pressure to lower barriers to trade in goods and services from the major powers.

In particular, he said Thailand and fellow members of the Cairns Group of agricultural exporting nations still wanted to see a strong commitment to concluding a farm

trade liberalising deal in the communique expected today from the Summit meeting of the Group of Seven (G-7) leading industrial nations in Tokyo.

Deputy Commerce Permanent Secretary Kroekkrai Chiraphaet said the agreement would benefit only the so-called quadrilaterals the United States, European Community, Canada and Japan—who concluded the package in Tokyo just in time to submit it to the G-7 Summit.

Much would depend on how the remaining members of the 111-nation General Agreement on Tariffs and Trade (GATT) were brought into the deal when the package was tabled in Uruguay Round negotiations in Geneva, he said.

And Det Phatthanasetphong, secretary of the Thai Garment Manufacturers' Association, warned that by agreeing to cut duties on tariffs, the United States could turn around and seek reciprocal concessions from Third World countries.

Wirot Amatakunchai, president of the association, said the tariff cuts would not affect Thailand because the cuts applied to all countries. Therefore, no one would be advantaged or disadvantaged by the cuts, except consumers.

All of these comments came with the warning that details of the package have not yet reached Thailand.

One key question is whether the cuts to be made by the quadrilaterals will apply only to the four members or will be available to all participants in the Uruguay Round.

However, a senior Canadian official involved in the quadrilateral negotiations told BUSINESS POST recently that the package would have to be offered under the GATT principle of non-discrimination known as most-favoured nation.

Therefore, each of the cuts agreed to by each of the quadrilateral members would have to be available to all GATT members. US textile tariff cuts granted to the European Community would also have to be available to Thailand and other exporters.

Thailand exports goods in a number of sectors where tariffs are to be cut in developed countries under the package. In addition to textiles, Thai officials and businessmen are interested in the cuts on ceramics, glass and furniture.

Dr Suphachai agreed with the garment manufacturers that the proposed cuts in US textiles tariffs would have little direct benefit for Thai exports. But he described the agreement to do so as an easing of protectionism in the sector that would encourage the phase-out of the quotas imposed largely on Third World exports under the Multi-Fibre Arrangement, another important issue in the Uruguay Round.

"I think it's the spirit that we're interested in," he said.

The reduction of conflict between the leading powers was bound to help the Uruguay Round as a whole move towards agreement on all its 15 topics, he said.

Dr Suphachai also predicted that Washington's agreement to yield to the EC on textile tariffs would not weaken French opposition to proposed agricultural trade reform, although he added that during his recent trip to Tokyo, he detected signs that the Japanese were easing up on reducing farm goods import barriers.

Dr Suphachai was a member of the Cairns Group's delegation to Tokyo last week, to lobby Japanese Prime Minister Kiichi Miyazawa, as G-7 host, to help G-7 make progress on agriculture.

He said yesterday that as soon as the G-7 communique is published, he would contact Australian Trade Minister Peter Cook, who chairs the Cairns Group, to work out how the group should respond.

If the G-7 cuts tariffs, there would still be problems for exports because other non-tariff rules would not be scrapped, he said.

Sanphakit Thawonwong, the Thai Furniture Industry Association's manager said the tariff cuts would be good for Thai furniture.

But even with the cuts, Thai furniture exports would not increase because of the world economic situation, he said.

Mr Sanphakit said the G-7 countries could still block Thai furniture imports because they could claim natural forests were damaged.

The association would counter this with logos explaining the wood was from private plantations, not natural forest. The labels would be approved by the forestry and export promotion departments and be used by 80 exporters selling to the US, Japan, Britain and Germany, he said.

Minister Denies U.S. Report on Refugee Expulsions

BK0907021193 Bangkok THE NATION in English 9 Jul 93 p A4

[Text] Interior Minister Chawalit Yongchaiyut yesterday dismissed a report by the US Committee for Refugees that Thailand has forcibly expelled Burmese, Laotians and Cambodian refugees from its soil, saying it was just an accusation.

Chawalit said Burmese students were living peacefully in Rat Buri's Maniloy Camp specially constructed to host them.

"What are they talking about? Burmese students are still living in the Camp here and there are at present around 300,000 immigrants living and working illegally in Thailand," Chawalit told reporters.

The report by the US refugee group which was made available on Wednesday said since the mid-1970s, Thailand has hosted—"sometimes patiently, sometimes grudgingly"—significant numbers of Vietnamese, Cambodian and, more recently, Burmese refugees.

Besides, the report said in recent months, the Thais had lost patience and had taken some stern measures to stop the inflow and reduce the number of refugees still in the country, estimated at 110,000.

It indicated that Thai security forces have recently arrested and mistreated a number of Burmese students who fled Burma after the military crackdown on the pro-democracy movement there in 1988.

"In early April, Thai soldiers entered several refugee camps along the Burmese border and ordered those living there to leave the camps within 15 minutes and return to Burma. Some camps were set afire as the refugees scurried away," the report said.

"What should we do?" Chawalit asked. "We've got hundreds of thousands of foreign immigrants out there and some are potential trouble makers. We must solve our problems."

Critics of the Thai government may know the problems "only superficially", the interior minister said.

"We've got (immigrants who turned into) thieves and robbers. Some Burmese students are ready to cause trouble if they are not sent to the Maniloy Camp," he said.

According to the US committee, more than 385,000 Cambodians were voluntarily repatriated from Thailand between 1992 and April 1993, but 563 refused to return out of fear of persecution. The Thai military denied the group food and water for a week and forcibly returned it to Cambodia.

"In mid May more than 10,000 refugees from Laos living in the camp of Chiang Kham were told they could no longer remain in Thailand indefinitely. The camp, they were told, would be closed by the end of this year and they had to choose to resettle in the United States or another country, or return to Laos," the committee reported.

The report said these actions "suggest the evolution of a disturbing policy of seeking to remove existing refugee populations from Thai soil."

The committee, whose members have made extensive trips to the region in recent years, urged the Thai government to continue providing asylum to Laotian refugees until they are able to "return home in safety and dignity", and urged the United States to resettle Hmong refugees from Laos as quickly as possible, reasoning many of them have languished in Thai camps for years.

Army Chief To Visit Russia, Discuss Arms Barter
BK0907012193 Bangkok THE NATION in English 9 Jul 93 p A1

[Text] Bartering Thai products for Russian weaponry is a possibility the Army is seriously considering.

This was disclosed by Army Commander in Chief Gen Wimon Wongwanit yesterday.

The army, he said, will need some time to study a Russian proposal before making any decision.

"You know it is not a subject we can decide on in one or two days," he said.

The army chief was presenting his position on the possible deal after Russia offered to trade a fleet of Mi-17V helicopters for Thai products, including rice.

The helicopter is one of the three final candidates the army is considering for purchase.

The other two models are the US-made S-70A Blackhawk and Bell 212.

Speaking to reporters after meeting Russian Charge d'Affaires Oleg V Bostorin at the Army Auditorium yesterday, Wimon said the envoy had conveyed to him an invitation to visit Russia this month to firm up relations between the two countries' armies.

The general said he will be the first Thai army chief to visit Russia.

Wimon said he expected to discuss with Moscow's army leaders Thailand's interest in purchasing Russian weaponry.

The army is interested in Russian arms because they are cheap and maintenance is not difficult, he said.

However, careful studies will be needed to determine whether the Russian weaponry is suitable for the Thai army's use, Wimon said.

"We won't buy them only because some people say they are good," he said.

Wimon said he will have to consider reports and advice from the army's arms specialists before making any decision on a deal.

Before buying new weaponry, the army has to take into consideration new training for its personnel so they can use and maintain the arms, as well as the stocking of spare parts and so on, otherwise there could be problems in the future, Wimon said.

Prasong: No Involvement in Cambodian Temple Attack

BK0807141293 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Jul 93

[Text] Commenting on claims by UNTAC [UN Transitional Authority in Cambodia] officials that Thai soldiers supported the Khmer Rouge's seizure of Preah Vihear Temple, Foreign Minister Squadron Leader Prasong Sunsiri said it was too early for UNTAC to make such a claim before checking the truth. He said that after checking with the Suranari Task Force, which is in charge of the area, the task force confirmed that the Khmer Rouge soldiers climbed the cliff face on the Cambodian side of the border in order to reach the temple. They did not cross the border into Thai territory. What happened, happened inside Cambodia and concerns only Cambodia. The Suranari Task Force was not involved.

Meanwhile, Sisaket Province has declared the area off limits to tourists for safety reasons as Cambodia is still undergoing a power transition. The Thai Government is ready to provide an explanation if the Phnom Penh government has any doubts.

Further on Denial

BK0907032793 Bangkok BANGKOK POST in English 9 Jul 93 p 6

[Text] Thailand yesterday strongly denied the allegation made by the Cambodian government that it helped Khmer Rouge [KR] guerrillas seize the ancient Khmer temple of Preah Vihear on Wednesday.

Foreign Ministry spokesman Sakthip Krairoek said yesterday that the Thai Burapha Task Force was in no way involved in the capture of the 10th century temple from Cambodian government troops.

Information Minister in Cambodia's interim government Khieu Kanharit on Wednesday accused Thailand of supporting the Khmer Rouge's attack and demanded a discussion with the Thai ambassador.

Mr Sakthip reiterated that the Khmer Rouge did not cross the Thai border to attack the temple, but rather climbed the cliff-face on the Cambodian side.

"They did not use Thai territory to stage the attack," he said.

He also quoted a report of the Burapha Task Force, which is responsible for the Thai border opposite Preah Vihear, as saying that no heavy weapons were used in the attack.

No casualties were reported.

At present, tourism at the ancient temple, about 310 km north of Phnom Penh, has been temporarily suspended.

The Burapha Task Force, however, will cooperate with the provincial authority of Sisaket by closing the border if fighting escalates.

Mr Sakthip noted that Thailand is investigating the attack to determine if it was Khmer Rouge policy or the action of a local commander stationed near the temple.

A senior ministry official, who requested anonymity, said the seizure stemmed from a local conflict.

He said Preah Vihear temple is of no strategic importance to the Khmer Rouge, who are negotiating for a voice in the capital. He said the Khmer Rouge are aware that by creating new problems they would jeopardise their chances of participating in national reconciliation.

The official pointed out that the allegation of Thai involvement in the attack was based on the fact that in 1962 the World Court had awarded ownership of the temple which straddles the border to Cambodia, much to Thailand's chagrin.

The temple, similar in style to Angkor Wat, is easily accessible from the Thai side of the border, but visitors from Cambodia must travel up a cliff to reach it.

Meanwhile, Foreign Minister Prasong Sunsiri maintained that the incident took place in Cambodian territory and was an internal affair among Cambodians.

The Burapha Task Force, he added, played no role in the seizure, and is only responsible for guarding the Thai border.

Sqn Ldr [Squadron Leader] Prasong said there have not yet been any talks between Cambodian authorities and the Thai Embassy, adding that Thailand is ready to discuss the matter if Cambodian suspicions linger.

Army Commander Gen Wimon Wongwanit said the charge stemmed from Phnom Penh soldiers who did not want to fight and were seeking to clear themselves.

"Why would we support something that damages our country," he said, noting that the great demand for tours to the temple have been suspended as a result of the Khmer Rouge attack.

The incident, he said, was a case of power bargaining between the Cambodian People's Party (CPP) and the Khmer Rouge.

Armed Forces spokesman Lt-Gen Anuson Kritsanaserani said three people were killed and 10 others wounded in Wednesday's attack on the temple, but he was unable to identify which group they belonged to.

The latest reports suggest that the Khmer Rouge still hold the area, the spokesman said. But the Thai Armed Forces are unaware of the motive for the attack because they play no role in Cambodia's internal affairs, he added.

The Suranari force has instructed all units to resist any foreign armed units from entering Thailand, he said.

Lt-Gen Anuson pointed out that the Khmer Rouge used Cambodia's Route 692 to get to the temple. If they had passed through Thailand, army rangers at the border would have known of their presence, he added.

"Route 692 is used by Heng Samrin soldiers as a supply line. It is not difficult for the enemy to use this route to reach the Preah Vihear Temple because they are also Cambodians who should know their way," he said.

Deputy Defence Minister Sombat Rotphothong yesterday called on the Foreign Ministry to protest against the Cambodian government's claim that Thai troops helped Khmer Rouge forces seize the temple.

Maj Gen Sombat denied the claim and lashed out at Phnom Penh for "speaking with no facts or truth" which has caused great a deal of damage to Thailand's image.

He called on the Foreign Ministry to explain the allegation to the international community.

Editorial Criticizes UNTAC Actions in Cambodia

BK0907030193 Bangkok BANGKOK POST in English
9 Jul 93 p 4

[Editorial: "UN should promote Khmer democracy"]

[Text] When the book is written on the United Nations peace effort in Cambodia, the events of the past 10 days deserve at least a full chapter. The reported speech by UN Cambodian chief Yasushi Akashi supporting a role in government for the Khmer Rouge is a stunning repudiation of last May's elections. If the statements broadcast by UN Radio in Phnom Penh are anything to go by, Mr Akashi is apparently in favour of ignoring the wishes of Cambodian voters. By endorsing an already questionable call for the Khmer Rouge to share power in Cambodia, Mr Akashi has directly challenged the rights both of Cambodian voters and their elected representatives to choose their own future. If this is an accurate reflection of his views, it represents an astonishing setback to the task given to the UN.

The week-long election for a constituent assembly was a success by any standard. Mr Akashi and the UN Transitional Authority in Cambodia (UNTAC) team rightly basked in the praise of a democratic selection which was well-planned and correctly carried out. Enthusiastic voters elected men and women, from a wide number of choices. These were citizens who chose to take the democratic route and present their platforms and promises to public scrutiny.

The Khmer Rouge chose to ignore the election and the choice of Khmer citizens, as they have since their formation some 30 years ago. And not only did this group decide to drop out of the elections, it launched military attacks which killed both Cambodians and international peacekeepers. It threatened even more such attacks, and

directly stated that its goal was to stop the elections. The UN put up a large show of military force, intimidating the Maoist Khmer Rouge into rethinking their claims of interfering with the election. In the event, a huge majority of Cambodians went to the polling stations and for the first time in more than a generation chose their own representatives.

The days following the election have been chaotic. Prince Norodom Sihanouk, obviously destined to be a future leader even though he refused to stand for office, arrived to claim his position. Elected assembly members accepted him as chief of state. One of his sons, Norodom Chakkrapong, led a short-lived secessionist movement in the eastern part of the country. Norodom Ranariddh, the head of the winning party in the polls, laboured to form an elected leadership which represented both the will of the voters and the political reality in his country. That leadership was sworn in last Saturday. One of Prince Ranariddh's first declarations was that the Khmer Rouge would play no part in the political future of the country. Clearly, that statement was too early and too optimistic.

Mr Akashi's reported statement, however, has gone far past his mandate to attempt to bring both peace and democracy to Cambodia. UN Radio quoted the UNTAC chief as saying he met last week with Khmer Rouge officials, and encouraged them to "overcome the various problems" to return to the peace process. These are surprising words. The "problems" of which Mr Akashi speaks are the wishes, expressed at the ballot box, of exactly who the Khmer people wish to represent them in coming days and years.

On the face of it, Mr Akashi appears to have decided to disregard the elections he worked so hard to make a success. This is an extraordinary reversal of the attempt to help Cambodians on the road to self-rule. According to the UN Radio report, Mr Akashi still considers the Khmer Rouge part of the Supreme National Council, a body charged with working itself out of a job through elections and formation of a government. The decision by the UN chief to lend support to the Khmer Rouge, a despised group which was one of the most vicious governments of the 20th century, is surprising, to understate the case.

The elected Cambodian leaders may want to make some deal with the Khmer Rouge. This violent group still holds the power to make trouble for any fledgling government in Phnom Penh as it demonstrated only this week by its seizure of Khao Preah Vihear. It is a different matter, however, for the United Nations to lend its influence and prestige to the followers of Pol Pot. Mr Akashi owes both the UN members and the world a clear explanation of why he is seen to be supporting unelected Khmers to positions of political power. Most of all, however, he owes this explanation to the voters of Cambodia. They were under the clear impression that they were electing a democratic leadership last May. The UNTAC chief must tell them why he is supporting such a clearly undemocratic group as the Khmer Rouge. If he

fails in this task, he risks threatening the entire UN mandate to help Cambodia move towards democracy.

Border Crossing With Cambodia Closed After Fight

BK0807140293 Hong Kong AFP in English 1350 GMT 8 Jul 93

[Text] ARANYAPRATHET, Thailand July 8 (AFP)—The Thai military ordered the Thai-Cambodian border here closed Thursday following a brief fire-fight between Thai and Cambodian troops, an officer said. No one was injured during the ten-minute clash Wednesday when Thai troops, chasing suspected car thieves, crossed into Cambodia and were fired upon by Cambodian government troops.

Cambodian government officials refused to attend a meeting called by Thai officials Thursday and were refusing to return the car which the Thai side says was stolen in Thailand, the officer said.

Thai authorities ordered the frontier between here and the Cambodian town of Poipet closed on Thursday morning.

The officer said it was still not known when the frontier here, the main crossing point between the two countries and usually the scene of bustling trade, would be reopened.

The incident here had nothing to do with the seizure by Khmer Rouge guerrillas of a northern Cambodian temple on the border some 200 kilometres (125 miles) to the northeast, the officer said.

Khmer Rouge guerrillas seized the Preah Vihear temple from Cambodian government troops in a pre-dawn attack on Wednesday.

Further on Closing of Checkpoint

BK0907024393 Bangkok BANGKOK POST in English 9 Jul 93 p 6

[Text] Aranyaprathet—The Burapha Task Force has been ordered to temporarily close the Klong Luk border checkpoint which leads to the Cambodian town of Poipet after a 10-minute clash between Thai troops and an unknown Khmer group on Wednesday afternoon.

Deputy Commander of the Burapha Task Force, Col Itsara Watcharapraphit, said Thai and Cambodian troops exchanged gunfire with M79 grenade launchers and machine-guns after Thai soldiers crossed the border in pursuit of Cambodian car thieves who had stolen a pickup truck from Thailand.

He said there were no casualties on the Thai side.

After the incident, Thai soldiers tried to contact police at Poipet about the return of the stolen truck. Initially, the local Cambodian authority agreed to send back the truck

but later demanded Thai officials pay compensation amounting to the cost of the truck.

Thai officials yesterday invited Khmer officials in Poipet and UNTAC [UN Transitional Authority in Cambodia] officials to attend a meeting in Aranyaprathet in the hope of solving the issue but no one turned up.

Col Itsara said he decided to temporarily close the checkpoint to put pressure on the Cambodian officials to join the talks and prevent similar problems from recurring.

SRV Said To Restrict Selected Imports, Exports

BK0907040393 Bangkok BANGKOK POST in English 9 Jul 93 p 17

[Text] The Vietnamese Foreign Ministry has banned until further notice from the country's Prime Minister imports and exports of some products which previously carried quotas, a Thai Foreign Ministry spokesman said.

The bans are on some products which carried quotas effective from April 13, 1992, to March 1, 1993.

Mr Sakthip Krairoek, quoting a report from the Thai Consul in Ho Chi Minh City, said the announcement affected Thai imports of Vietnamese logs, processed wood and rattan and exports of sugar to Vietnam.

According to the Thai Chamber of Commerce, Thailand last year imported timber from Vietnam worth 613.5 million baht, parawood worth 538.7 million baht and rattan worth 13.7 million baht. It exported to Vietnam raw sugar worth 30.6 million baht and white sugar worth 39 million baht.

Vietnam was facing a nationwide cement shortage for the first time said Mr Sakthip.

The Vietnamese Government was paying special attention to the problem and had called for foreign investment in the industry with the aim of developing four new cement factories with a production capacity of more than one million tons per year.

It has recently endorsed two joint cement factory projects with Hong Kong investors (worth US\$31 million) and Taiwan investors (US\$288.3 million).

Vietnam has only three cement factories which produce more than one million tons per year.

Mr Sakthip said Vietnam also faced a domestic sugar shortage but the country had signed a sugar-for-rice barter agreement with the Cuban Government.

He quoted the Thai Consul's report as saying Thailand could still find ways of exporting sugar and cement to Vietnam since the country reserved foreign currencies and had a trade barter and concessionary sale policy.

"But it all depends on production capacity and sale conditions of the offer to them," the report said.

ASEAN Members Said Reluctant To Expand APEC Role

*BK0907042993 Bangkok BANGKOK POST in English
9 Jul 93 p 26*

[Text] ASEAN wants to water down a US proposal to upgrade the 15-nation Asia Pacific Economic Cooperation (APEC) group from a consultative body into a trade negotiations forum, Thai officials say.

The ASEAN position is likely to be worked out at an officials' meeting in Jakarta today and tomorrow, the Thais say.

It would be the group's response to a US proposal, submitted at a senior officials' meeting in Seattle last week, for a Seattle Accord or Seattle Agreement to be signed when APEC ministers meet in the West Coast city in November.

Deputy Prime Minister Suphachai Phanitchaphak said yesterday that some persuasion within ASEAN could still be needed because Singapore in particular leans more towards the US approach.

Dr Suphachai and Commerce Ministry officials said yesterday that apart from Singapore, other ASEAN members tend to share Thailand's reluctance to make APEC a trade negotiations forum and to sign a binding agreement in November.

ASEAN could come up with a compromise alternative, for example a declaration or statement, that would not be binding.

Dr Suphachai described ASEAN's approach as an attempt to reconcile differences. "We're trying not to obstruct everything that APEC could do," he said.

Thailand first announced its objection to making APEC a trade negotiations body almost two weeks ago. During the ministerial meeting of the Cairns Group of agricultural exporting nations on June 26 and 27, Dr Suphachai said any new initiatives on regional trade should be opposed because attention could be distracted away from efforts to conclude a global agreement in the over-100-country Uruguay Round of trade talks.

Malaysia is even more strongly opposed to upgrading APEC than Thailand, preferring its own regional proposal, the East Asia Economic Caucus, that would exclude the United States and Canada.

APEC comprises the United States, Canada, Japan, South Korea, China, Taiwan, Hong Kong, Australia, New Zealand and the ASEAN six. It was formed for cooperation in trade, investment and human resources development.

Dr Suphachai said yesterday that from Thailand's point of view, cooperation in APEC could be accepted if the aim was to work out differences among its members that would help the conclusion of the Uruguay Round, or to settle problems concerning rules and regulations.

But any attempt to start straight trade negotiations within APEC should be rejected, as should the US proposal for an accord or agreement, he said.

A Joint Cooperation Meeting (JCM) of ASEAN foreign affairs and trade officials is being held in Jakarta today and tomorrow in order to unify the ASEAN stance.

A Commerce Ministry source said senior officials of ASEAN members held an informal meeting during the APEC senior officials' meeting in Seattle last week, and that two principles for an ASEAN stance were tentatively agreed:

—Strengthening APEC cooperation could be achieved, but it must not include any agreement which is legally binding on APEC members rather the APEC could issue a "declaration or statement" as a guideline for APEC members.

The source said the declaration or statement should be a mutual understanding that each member is willing to abide by.

—Any guidelines or cooperation agreed under the APEC forum must not go beyond the terms of Uruguay Round negotiations that are expected to be agreed on at the end of this year.

Australian Prime Minister Paul Keating has voiced support for the Washington proposal and announced plans to use APEC to develop common principles on investment, harmonisation of standards in manufacturing, market access, dispute settlement and other areas.

Mr Keating said Australia believes the APEC process offered an historic opportunity to promote the economic integration of the Asia-Pacific region in a way which serves the interests of all members and is compatible with a sound multilateral trading system.

The source said ASEAN would also hold a meeting of senior economic officials from July 12-14 to discuss cooperation under the ASEAN Free Trade Area (AFTA). The Thai delegation will be led by the director of the Office for Cooperation on International Economic Affairs, Karun Kittisathaphon.

Suppression of Copyright Violations Reviewed

BK0907080893 Bangkok NAO NA in Thai 9 Jul 93 pp 5, 7

[Text] Reviewing the suppression of copyright violations by government agencies concerned in June as reported to the Intellectual Property Department, Deputy Commerce Minister Churin Laksanawisit disclosed that authorities arrested 59 suspects involved in 58 cases of copyright violations, music tape and video cassette piracy, and confiscated 12,385 music cassettes and 18,144 video cassettes.

The ministry is currently examining the account records of a music and videotape firm. A preliminary investigation revealed that the company has not complied with the ministerial regulations on the prevention and suppression of copyright violation issued by the Prime Minister's Office and Commerce Ministry. The ministry has contacted the Revenue Department to have the company's tax record reviewed.

Churin said he was informed during the tripartite meeting of representatives of Thailand, the European joint commission, and the International Federation of Voice Cassette Producers that the Thai Government's serious efforts in the suppression of copyright violations has led to an 80 percent increase of the sales volume of copyrighted music cassettes in May. The number of copyrighted music cassettes sold in May this year was 180,000.

Bank Governor: 1993 Growth At Least 7 Percent

*BK0807105793 Bangkok BANGKOK POST in English
8 Jul 93 p 29*

[Text] The Thai economy will grow by at least 7 percent this year despite a substantial downward revision of the country's export growth rate by the Commerce Ministry, Bank of Thailand governor Wichit Suphinit said yesterday.

Mr Wichit's assurance of a minimum 7 percent economic growth this year marks a softening from the firm insistence by other senior central bankers as recently as last week that the economy this year would grow by 7.8 percent. Responding to various forecasts by private economists that Gross Domestic Product (GDP) this year would grow by less than 7 percent due to lower-than-expected exports, Mr Wichit said revenue from exports is not the only essential component taken into account by the central bank in its assessment of the country's macro-economic situation.

The central bank, he said, also takes into account the performance of other important sectors such as private investments and bank credit growth. As such, sluggish export growth alone would not have a serious impact on overall economic growth. "I believe growth this year will definitely be not less than 7 percent," the bank's governor said.

Meanwhile, Bandit Nitthawon, the deputy director of the central bank's Economic Research Department, said the central bank has taken the Commerce Ministry's lower export-growth estimate into consideration as part of its current revision of this year's economic performance.

The Commerce Ministry last week revised its estimate of export growth from the original 19 percent to only 11 percent. Mr Bandit noted that the ministry's original estimate of 19 percent was far higher than the central bank's estimate of 15 percent.

Total exports in the first quarter this year grew by only 8 percent, which was lower than the 12 percent announced by the central bank. Mr Bandit attributed this discrepancy to lower-than-expected exports of agricultural commodities. He added that statistics from other economic sectors such as private investments, construction and Board of Investment-promoted projects have been picking up.

Economy Said To Improve in Second Half

*BK0707032793 Bangkok BANGKOK POST in English
7 Jul 93 p 17*

[Text] The economy will regain strength in the second half of the year as the Government will start to spend its investment budget, Deputy Prime Minister Amnuai Wirawan said yesterday.

This would occur despite the poor performance of the economy in the first half of the year, he said.

However, Dr Amnuai said the assessment of the country's economic performance should not be based only on the overall economic growth rate and the inflation rate.

"That is not enough. The assessment should go deeply into each sector because the economic impact on each sector is different."

Arguments persist about the country's economic growth rate this year, but he thinks it is more meaningful to look at performance of each individual sector.

The sector which suffers most from a recession is agriculture, of which the growth rate is expected to be only 2.6 percent this year, compared with 4.4 percent and 3.1 percent in 1991 and 1992, respectively.

Obstacles limiting the growth of agriculture were a slump in marketing and poor natural resources. The price of farm products has dropped by about 10 percent in average, he said.

"The decline of farm product prices will cause a negative impact on the overall economy because agriculture is the work of the majority of Thais—and this will be followed by the poverty problem."

The performance of the industrial sector was also not so good.

"This is because the world economy has not yet recovered while the purchasing power of farmers has declined," he said.

This results in drops in profits of the industrial sector.

"The most affected industries are hotels, of which profits during the first three months this year dropped by 30 percent (on the same period last year) and textiles, dropping 12 percent."

Exports were expected to expand at a lower rate than predicted. Dr Amnuai expects exports this year will expand by only 10.3 percent while the adjusted target was 14.5 percent.

A day earlier, the Commerce Ministry also adjusted its exports target from an original 981,000 million baht to 916,000 million baht, which is still about 11 percent higher than actual exports last year.

Dr Amnuai said, however, that industrial production in the first five months this year grew by 9.2 percent, compared to 8.6 percent in the same period last year. Private investment during the first five months last year expanded by 7.2 percent but rose to 9.7 percent this year.

Energy consumption during January-May last year grew by 5.9 percent and by 13.2 percent this year.

Imports of capital goods during the first four months last year dropped by 5.7 percent but increased by 2.57 percent this year, Dr Amnuai said.

Dr Amnuai said the review of economic performance twice a year might be unable to update information necessary to assess the real economic situation.

"The Government may have to review the economic situation every month so that it will be able to cope with the rapid changes and fluctuations."

For the second half of the year, Dr Amnuai forecast a recovery with stimulation from Government investment spending of about 170,000 million baht—about 30 percent of this year's fiscal budget—and 213,000 million baht or 34 percent of the next fiscal year.

Dr Amnuai said other investment sources to boost economic growth would be state enterprises as in 1993. They would spend about 250,000 million baht on their projects. Low interest rates in the money market would stimulate investment. The Bank of Thailand has forecast that the domestic interest rate would further decline in line with the world financial market.

Other factors included whether the whole economic system would sustain its stable growth, he said. The political situation would depend on how the Government restored public confidence in its stability. Protectionism, particularly US Section 301 sanctions, if imposed, would severely affect Thailand. The last aspect was the efficiency of Government administration, particularly in budget management, to optimise spending.

Although the Government's spending would stimulate Thailand's economy, the sluggish world economy would have negative spinoffs, he said.

The latest economic figures from the International Monetary Fund (IMF) show that world economic growth will be only 2.2 percent, which is below the projected target of 3.6 percent while all major industrialised countries will register growth lower than 2 percent.

If world trade this year does not grow by 5 percent as forecast, Thailand's trade growth would be affected and was likely to be lower than 14.7 percent as originally forecast, he said.

Bank of Thailand spokesman Phisit Li-atham said the central bank was completing its review of the country's economy, basing it on economic factors for the first five months of this year.

"Although some figures are different from the projections and are to be adjusted, the central bank believes the overall economic growth rate this year will still be 7.8 percent as projected earlier."

He said the adjustment would be in the projection of farm product exports because of depressed prices of agricultural products. However the impact on the general economic performance was not significant.

Vietnam

Vietnamese-American Expelled for 'Threatening Security'

BK0907113693 Hong Kong AFP in English 1119 GMT 9 Jul 93

[Text] HANOI, July 9 (AFP)—Vietnamese authorities have expelled a Vietnamese-born American after accusing him of engaging in activities that threaten national security, reported a Ho Chi Minh City daily seen here Friday.

Hoang Duy Hung, also known as Aloysius Gonzaga, was arrested in April and kept in temporary detention in Ho Chi Minh City, the daily SAIGON GIAI PHONG said in its Wednesday issue.

The newspaper said Hung had admitted breaking the law and "threatening security and public order."

The daily did not specify if Hung had been implicated in the bomb plot thwarted by police last March in Ho Chi Minh City.

Some 20 people, including at least one U.S.-based Vietnamese, were imprisoned after the affair. Five of them, of whom three were officers under the Saigon regime prior to the unification of Vietnam, have already been condemned to prison terms of seven to 20 years.

Vietnamese authorities accused "Viet Kieu" (Vietnamese exiles) in the United States of being behind the plot.

The official Hanoi daily NHAN DAN reported Friday that Viet Kieu were responsible for importing publications, pornographic stickers, cassettes and records with "reactionary and decadent" contents into Vietnam.

"Reactionary elements among groups of Viet Kieu in the West are sending (to Vietnam) more newspapers, pamphlets and other culturally decadent products," the newspaper said.

The daily added that the items served to "oppose the revolution, sabotage the achievements of reform and the peaceful life of the people."

Ho Chi Minh City customs officers recently seized 1,664 "counter-revolutionary" compact discs hidden in two containers of cloth imported from Taiwan. They have also intercepted 362,250 pornographic stickers since the beginning of the year, NHAN DAN said.

According to the press, the numerous karaoke bars in Ho Chi Minh City serve to relay the "Viet Kieu anti-government propaganda" by distributing the songs of Vietnamese musicians exiled in the United States and France.

Although Vietnamese authorities have been more welcoming to the estimated two million Viet Khieu to take advantage of their financial resources and technical expertise, they continue to closely monitor them.

Vo Van Kiet Visit to Cuba Hailed

BK0807155593 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Jul 93

[Text] On SRV Prime Minister Vo Van Kiet's official friendship visit to Cuba, NHAN DAN on 5 July carried an editorial entitled: "Strengthen the Vietnam-Cuba Fine Traditional Relations."

The editorial says: Although Vietnam and Cuba are half a world apart, the two countries have maintained time-honored relations. In the last century [as heard], Jose Marti, the national hero of Cuba, wrote an article hailing the Vietnamese people's unyielding struggle for national independence and freedom, thereby strengthening Vietnam-Cuba relations. This fine tradition has been consistently promoted and fostered by leaders and people of the two countries.

The Vietnamese people always remember the valuable assistance and support of the world community in general and of Cuba in particular, especially in their arduous struggle to liberate and reunify the country as well as in the current socialist construction. Although Vietnam-Cuba trade relations and economic cooperation are not substantial at present, the potential for expansion is great.

Together with Latin American and peace-loving peoples the world over, the Vietnamese people have asserted their solidarity with the fraternal Cuban people in their struggle to their protect national independence and freedom and to build Cuba into a prosperous nation.

We wish the official friendship visit to Cuba by the Vietnamese party and government high-ranking delegation a splendid success, thereby helping to strengthen their traditional friendship for the two people's interests and in conformity with the trend of peace, independence, cooperation, and development in the world at present.

Radio Reviews Ties With Cuba

BK0807130993 Hanoi Voice of Vietnam in English 1000 GMT 7 Jul 93

[Station commentary]

[Text] A high-level party and government delegation headed by Prime Minister Vo Van Kiet is now in Cuba for an official visit. Here is our radio editor's comment on the event.

The purpose of the visit is to promote the traditional solidarity, friendship, and cooperation between Cuba and Vietnam. This is an important event among the party and government diplomatic activities, and that implementing diversified policies and international relations [as heard].

In the last thirty years, the Vietnam-Cuba relations have been unceasingly developed. The two countries have turned [words indistinct] in difficult moments. Cuba nonrefundable aid to Vietnam, its moral support, and especially the images of Cuban leaders particularly Fidel Castro and Jose Marti, are deep in the heart of Vietnamese people. In recent years, with big changes in the world, Cuba has been facing many difficulties, but the Vietnam-Cuba friendship has been maintained and consolidated. Many Vietnamese senior leaders have visited Cuba. The visit by Prime Minister Vo Van Kiet will certainly open up a new page between the two countries. The event will further help to tighten the mutual understanding and at the same time affirm that Vietnam and Cuba will always be companions on the road of building and defending the respective homelands.

Premier's Activities Reported

BK0907091893 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jul 93

[Text] On their second day in Cuba, 7 July, Prime Minister Vo Van Kiet and other comrades of the high-level Vietnamese party and Government delegation visited a number of science and public health establishments in the capital city of Havana. In his company were Comrade (Concepcion Campa Urago), member of the Communist Party of Cuba's Central Committee Political Bureau and director of the Carlos Finlay Research Institute; and Comrade (Ramon Dias), deputy minister of public health.

At the Genetic Engineering and Biotechnology Center, Director (Manuel Dimbol) briefed the prime minister on the activities of the advanced science center which is the birthplace of 169 medical products, some well-known worldwide such as the vaccination against meningitis B, a burn medicine, the vaccination for hepatitis B, AIDS diagnosis equipment, and industrial enzymes.

Next, the prime minister visited the National Science Research Center which is the largest of its kind in Cuba. The center has exported its products to many countries, including PTG medicine to treat high fat level in blood

and to assist the cardiovascular system, which is now being sold to nine countries; the medical equipment of (Medincep) which is used to diagnose neuro-system disorders; artificial teeth made of coral; and so forth.

At the Carlos Finlay Institute, the vaccine and serum research and production center which was named after the scientist who discovered the cause of tuberculosis and Cuban jaundice malaria, the prime minister listened attentively to an introduction of medical research and production activities of the center.

Comrade (Concepcion Campa Urago) and the directors of the aforementioned centers all expressed their readiness to share their experiences and to cooperate with Vietnamese scientists and medical agencies in areas of biotechnology, pharmacy, and medicine, where Cuba has scored excellent achievements.

Prime Minister Vo Van Kiet expressed his profound interest in the achievements of Cuba in the medical, biotechnological, and pharmaceutical fields, and the export potential of these products. The prime minister commended the Cuban scientists for their great contributions in these important achievements. The prime minister also praised the contingent of cadres, workers, and other personnel of the centers he visited. He also reminded the Vietnamese representatives of relevant sectors in the delegation to pay appropriate attention to the possibility of cooperation in these fields.

On the afternoon 7 July, the party and government delegation headed by Prime Minister Vo Van Kiet, visited the Revolution Square and paid a floral tribute to the monument of Jose Marti, the father of Cuba's independence. Accompanying the delegation was Comrade Carlos Lage, member of Communist Party of Cuba's Central Committee Political Bureau and vice president of the Council of State and executive secretary of the Council of Ministers. The delegation laid a wreath of flowers with a line which read 'To Revered Comrade Jose Marti, the Cuban People's Hero.'

Le Duc Anh Receives Swiss Economic Delegation

BK0807145193 Hanoi VNA in English 1428 GMT 8 Jul 93

[Text] Hanoi VNA July 8—An economic delegation of the Swiss Government led by Ambassador Nicolas Imboden, deputy head of the Federal Department of Public Economy in charge of Economic Agreements, has been visiting Vietnam from July 5 at the invitation of the Vietnamese Government.

The delegation had working sessions with Minister of Trade Le Van Triet and leading officials of the Ministry for Foreign Affairs, the State Planning Commission, the Ministry of Finance, the Vietnam State Bank, the State Committee for Cooperation and Investment and the Ministry of Energy. It was cordially received by President Le Duc Anh and Deputy Prime Minister Phan Van Khai.

While here, the Swiss delegation had signed with Vietnam four agreements, including a trade agreement, and agreement on Switzerland's granting a mixed credit of 25 million Swiss francs of which 50 percent are gratuitous aid to Vietnam. Switzerland will also grant 15 million Swiss francs as technical aid to Vietnam for restoration and modernisation of some existing projects.

The Swiss delegation affirmed that as a member of the World Bank and the Asian Development Bank, Switzerland will contribute to the financing of development projects in Vietnam.

The Swiss delegation left Hanoi for Ho Chi Minh City today.

Commentary Hails New Open-Door Policy

BK0607071093 Hanoi VNA in English 0647 GMT 6 Jul 93

[Text] Hanoi VNA July 6—The daily NHAN DAN in a commentary today says that the official visit to the Republic of France, the Kingdom of Belgium, the United Kingdom and the European Community (EC) made by Prime Minister Vo Van Kiet has ushered in a new and very promising period in the relations of friendship and cooperation between Vietnam and the West European countries as well as with the whole European Community.

The paper says that the mutual understanding, friendship and the spirit of cooperation for national development based on equality and mutual benefit between the Vietnamese Government and people and the governments and people of the West European countries and the EC has been enhanced. In the talks and meetings between Prime Minister Vo Van Kiet and the leaders of governments, national assemblies, political parties and business groups in the countries he visited, all expressed the wish to help the Vietnamese people overcome difficulties and their demand for an early end to the US embargo against Vietnam. Stemming from the aspiration and interests of the two sides, the leaders of the West European countries and the EC have either renewed their commitments or made new commitments to aid Vietnam in economic construction, cut back on debt payment, supply capital and technology, experiences in production, business and economic management, and signed new agreements on bilateral cooperation. Many documents have also been signed between Vietnamese and their partners in Western Europe on this occasion.

Following the steps of improvement in Vietnam's relations with countries in South-East Asia, North-East Asia and in Asia and the Pacific as a whole as well as our traditional friendly countries, the success of this trip is a new achievement of Vietnam's external policy and a contribution to the great success of its renovation policy.

National Assembly Session Continues 8 Jul*BK0807140993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Jul 93*

[Text] This afternoon, 8 July, the National Assembly continued its plenary meeting at the conference hall in Hanoi. Comrade Nguyen Trong Nhan, minister of Public Health, answered questions and reported on the expenditure for the antimalaria campaign including expenses in producing medicine to eradicate the disease.

National Assembly deputies asked cabinets members to further clarify issues related to the construction of the Hanoi-Haiphong Highway no. 5, the 35-kilovolt powerline in Lang Son Province, the Vinh Son hydroelectric power plant and compensation for the people who have to move out of the area, electric fees in the rural areas, expenses for the north-south 500-kilovolt power line, budgets for planting trees on denuded land and bare hills and for resolving the unemployment problem; a new wage system for teachers, public health workers, and cadres in mountain regions; budget for the public health sector in 1993; and budget for the campaigns against AIDS, drug addiction, and poppy tree planting and so forth.

Comrades Do Quoc Sam, Thai Phung Le, Tran Dinh Hoan, Phan Van Dinh, and Nguyen Trong Nhan took turns to answer questions raised by the deputies.

Tomorrow, 9 July, the National Assembly will continue its work at the conference hall.

Issues Communiqué No. 14*BK0807154593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jul 93*

[Text] The National Assembly deputies held a plenary session in the Ba Dinh Conference Hall on 8 July. National Assembly Chairman Nong Duc Manh directed the session.

The deputies heard Comrade Luong Xuan Quy, on behalf of the secretariat, summing up the views contributed by the National Assembly deputies during their group discussions on the implementation of socioeconomic development tasks in the first half of 1993.

Next, the National Assembly heard some government representatives answering questions raised by the deputies. Comrade Do Quoc Sam, minister in charge of the State Planning Commission, answered questions on investment in economic development in the mountain regions and on investment in capital construction for 1993. Comrade Phan Van Dinh, deputy minister of finance representing Minister Ho Te, answered a number of questions about financial and state budget issues, including the budget balance, funding for a number of major projects, measures to curb inflation, high income tax collected from people with high income, income obtained from the sale of homes, the transfer of right to use land, and on investment in the campaign to

cover empty land and bare hills in mountain provinces with greenery. Minister of Energy Comrade Thai Phung Ne, answered a number of questions about electricity consumer prices in the countryside, the construction of power distribution networks to benefit the countryside at present, the pace of construction and funding for the 500 kv-powerline, compensation for people of Hoa Binh and Son La Provinces affected by the Long Ho Basin relocation program, as well as for people living in area of Thac Ba Lake in Yen Bai, and so forth.

Comrade Tran Dinh Hoan, minister of labor, war invalid, and social welfare, presented a report on the application of the new wage system for retirees, the armed forces, personnel in the education system, and allowances for cadres at village and ward level. Comrade Le Van Triet, minister of commerce, answered a number of questions on marketing and export of agricultural produce.

After listening to the response from government representatives, 25 National Assembly deputies gave their views. They were Nguyen Van Hieu, Phan Thu of Ha Tay, Tran Van Phat of Hai Hung, Cu Hoa Van of Lao Cai, Hoang Thi Bich Ly of Lang Son, Tran Thi Le Thu of Binh Dinh, Chu The Quynh of Hanoi, Ha Thi Lien of Thanh Hoa, Vu Thi Ngoc Dau of Thai Binh, Nguyen Thi Hoai Thu of Tien Giang, Truong Minh Thang of Minh Hai, Duong Tan De of Vinh Long, Nguyen Don of Quang Nam-Danang, Mai Thuc Lan of Ha Bac, Le Thi Thuy, Nguyen Duong Hoang, Pham Quang Hai, Truong Ky Hong of Nghe An, H'Nghia of Gia Lai, Ly Ly Pha of Lai Chau, Trieu Thi Nhay of Yen Bai, Bui Bich Lien of Lam Dong, Hoang Thi Chien of Bac Thai, Ha Van Chuan of Hoa Binh, and Le Phu Hoi of An Giang.

Comrade Do Quoc Sam, minister in charge of the State Planning Commission, Comrade Nguyen Trong Nhan, minister of public health, Comrade Thai Phung Ne, minister of energy, Comrade Phan Van Dinh, deputy minister of finance, and Comrade Tran Dinh Hoan, minister for labor, war invalids and social security took turns to answer questions raised by the deputies.

The National Assembly will continue its work on 9 July in the Conference Hall.

9 Jul Proceedings Reported*BK0907132693 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Jul 93*

[Text] Deputies attending the Ninth National Assembly's third session today, 9 July, held a plenary meeting at the conference hall to continue their debate on the draft law on agricultural land use tax. The meeting was directed by National Assembly Vice Chairman Phung Van Tuu.

Prior to the debate, the National Assembly heard a report by Comrade Nguyen Cong Tan, minister of agriculture and food industry, on the views gathered from

national assembly deputies on the draft law on agricultural land use tax. Comrade Nguyen Tai Luan, on behalf of the meeting secretariat, presented to the meeting the amended draft law in accordance with the views contributed by National Assembly deputies.

Next, the deputies expressed their views suggesting that some contents in various chapters of the draft law be revised. They then took turns to vote to pass each chapter of the draft law.

The draft law on agricultural land use tax includes the preamble, nine chapters, and 39 articles. In the morning sitting, the National Assembly passed the preamble and chapter one. In the afternoon, it passed chapters two, three, and four.

Tomorrow, National Assembly deputies will continue their work at the conference hall.

Doan Khue Addresses Conference of Navy Cadres

BK0507113193 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 30 Jun 93

[Text] The Navy has organized a conference of command cadres at all levels to assess the implementation of its tasks for the first six months of 1993 and discuss measures to fulfill its action program for the latter half of the year. Comrade General Doan Khue, member of the Political Bureau and minister of national defense, attended.

According to the conference's evaluation, in the first half of the year, the Navy has effected changes for the better in all fields, correctly assessing the situation in sea areas, fulfilling economic and politico-military tasks, and carrying out other activities aimed at meeting technical and logistical requirements, thus contributing to firmly protecting sea areas and to safeguarding the fatherland's sovereignty over sea and island areas, as well as its continental shelf.

The participants also reached very substantial agreement on orientations and discussed measures to organize the implementation of tasks for the latter half of the year. Command cadres at all levels clearly realize that it is of primary importance for naval units to firmly defend the fatherland's sovereignty over sea and island areas. To this end, everyone must concentrate efforts on accelerating the movement to develop a regular Army-type workstyle and build comprehensively firm and strong units. It is also necessary to step up assessment and inspection work to make sure that command cadres satisfactorily oversee training and unit-building activities at all levels.

Speaking on this occasion, the comrade minister of national defense commended Naval units for their achievements in safeguarding the fatherland's sovereignty over sea and island areas. He emphatically said: It is of equal importance to make everyone consolidate their ideological stance and to take measures to improve

training skills, develop a regular Army-type workstyle, and implement the 'good maintenance and proper, safe, and economical use of technical equipment' motto. He added: It is also necessary to take positive measures to build and revamp party organizations, as well as work closely with local authorities and sectors in developing the Vietnam People's Navy into a regular and modern military organization capable of defending the fatherland's sovereignty over sea and island areas, as well as its continental shelf.

Doan Khue Attends Army Petroleum Conference

BK0207144393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 01 Jul 93

[Text] On June 30 the Petroleum Department of the Army Logistics General Department held a conference to review tasks and discuss measures to ensure the supply of oil and gas in the new situation. Attending the conference were General Doan Khue, member of the Communist Party of Vietnam Central Committee Political Bureau and minister of national defense; and Senior-Lieutenant General Nguyen Trong Phien, member of the party Central Committee and deputy minister of national defense concurrently director general of the Logistics General Department.

During the past years, members of the Army Petroleum Department have attached importance to managing and preserving oil and gas to meet demands under all circumstances, thereby satisfactorily fulfilling the key task of national construction and defense.

At the conference, Gen. Doan Khue commended the Army petroleum sector for its efforts and achievements. He also pointed out tasks and orientations for the department in the new situation. He urged cadres and combatants of the Army petroleum sector to surge forward to score ever greater achievements.

Attends Political Department Function

BK0507133793 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 1 Jul 93

[Text] In the framework of its 45th founding anniversary, the Political Department of the General Staff, an agency of the Ministry of National Defense, organized a get-together for cadres and soldiers of all generations under its charge to evaluate everyone's performance over the past 45 years and point out shortcomings which need to be overcome in order to enhance leadership over implementing party-building work and political activities among units under its charge.

Attending the function were General Doan Khue, member of the Political Bureau and minister of national defense; Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee and chief of the Vietnam People's Army [VPA] General Staff; Lieutenant Gen. Nguyen Thoi Bung, member of the party Central Committee and deputy minister of national defense; and

many high-ranking military officers of the various agencies directly under the management of the Ministry of National Defense.

Speaking on this occasion, Senior Lt. Gen. Dao Dinh Luyen commended cadres, soldiers, and office and manual workers of the department for their outstanding performance over the past 45 years. Together with other agencies, they have greatly contributed to the fulfillment of the General Staff's role as a strategic advisory organ of the party and state in the area of national defense. In dealing with the new national construction and defense requirements, the comrade chief of the General Staff reminded cadres, soldiers, and office and manual workers of the department of the need to avoid complacency and satisfaction. Instead, everyone should conduct an in-depth study and research to improve their skills in all fields and henceforth contribute to developing this national defense agency into a firm and strong organization.

Attends Medical Institute Function

BK0607140593 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 5 Jul 93

[Text] The National Military Medical Science Institution recently held a ceremony to mark its 15th founding anniversary. Attending the function were General Doan Khue, member of the party Central Committee Political Bureau and minister of national defense, cadres from military units, institutes, hospitals, and scientists from various sectors.

During the past 15 years, the institution has provided medical treatment to almost 200,000 out-patients; 12,000 in-patients; performed plastic surgery on 1,800 singers; and treated almost 110,000 cadres, combatants, and people.

Gen. Doan Khue commended the National Military Medical Science Institution for its efforts and achievements scored during the past 15 years. He urged the institution to continue its efforts to maintain its significant role as a national military medical center for scientific research and medical treatment.

Do Muoi, Le Duc Anh Attend Conferment Ceremony

BK0807150793 Hanoi VNA in English 1431 GMT 8 Jul 93

[Text] Hanoi VNA July 8—Lawyer Nguyen Huu Tho, president of the Presidium of the Vietnam Fatherland Front Central Committee, was conferred today the Gold Star Order, the highest distinction of the Vietnamese state for his great contributions to the revolutionary cause of the party and the people.

Present at the conferment ceremony held at the Presidential Palace were Party General Secretary Do Muoi, President Le Duc Anh, chairman of the National Assembly Nong Duc Manh, vice, Premier Phan Van

Khai, and many other high officials of the party, state and Fatherland Front and leaders of mass organizations affiliated to the front.

President Le Duc Anh, on behalf of the party and state, presented the distinction. Speaking on this occasion, President Le Duc Anh said that the revolutionary life of Lawyer Nguyen Huu Tho over the past more than 40 years has been closely associated with the revolutionary cause of the party and the people. He has untiringly fought to liberate the people, unify the country and build socialism along the path chosen by President Ho Chi Minh and the people, the president said.

Le Phuoc Tho on Cadre-Related Work

BK0807080393 Hanoi NHAN DAN in Vietnamese 18 May 93 p 1,3

[Article by Le Phuoc Tho: "Renovate Cadre-Related Work in Accordance With Uncle Ho's Concepts"]

[Text] We have become increasingly aware of the importance of our cadre-related work as we carry out national renovation and development. As Uncle Ho put it: "Cadre administration work is the essence of all activities," and "Cadres are the capital of mass organizations. They can only yield profits with capital. Tasks will yield success, that is, profits with competent cadres and policies. Without competent cadres, we will foil our work or, in other words, lose our capital." [Footnote 1] [Ho Chi Minh; *The Cadre-Related Issue*, Su That Publishing House, Hanoi, 1974, pp 20, 52].

Understanding and correctly adopting Uncle Ho's concepts about cadre-related work is not simple. Over the past few years, we have made great efforts to recruit, provide training, and arrange work assignments for, and use executive and managerial cadres. We have done a good job, both quantitatively and qualitatively, in this. Cadres have demonstrated their well-based political acumen and their maturity, have strived to gradually adjust themselves to the new structure, and have helped effect significant socioeconomic changes for the better, maintain political stability, and spur the development of the renovation undertaking in the right direction. Cadre-related work, however, has failed in general to meet the growing requirements of the renovation period. The party's concepts about the renovation of cadre-related work have not been institutionalized promptly and carried out scrupulously and successfully. Our cadre-related policy has not been changed in time to suit the new managerial mechanism. In recruiting and using cadres, many localities have still refused to depart from their old-style concepts. In their cadre-related work, they have still failed to ensure the principles of party leadership and unified cadre management. The limits, scope, and powers of cadre management between the party and the administration as well as between relevant sectors and localities have still been marked with extensive overlap. Appropriate attention has not been given to ensuring good treatment for cadres in charge of party and mass

organization affairs and for village- and ward-level cadres. Many localities still lack competent cadres although their contingents of cadres are large in number.

Uncle Ho said: "Cadres are the root of all activities." This means that "cadres play a decisive role in implementing the party line." In the final analysis, however, here the term "cadres play a decisive role" means "evaluating, recruiting, training, promoting, and using cadres." This process should be based on requirements arising from each different revolutionary stage. Renovating cadre-related work is an inevitable move. In an article written in October 1947, entitled "As for the Cadre-Related Issue," Uncle Ho wrote: "Things are increasingly new to us. More new things are coming later. How could some present-day leaders, who have no knowledge about science and technology, maintain their leadership positions when Vietnam enters the machine age?" If they do not know any thing about science and technology, it would be better for them to be replaced by other people. Gone are the days when "people with seniority in service could expect high positions." [Footnote 2] [Ibid, p 110]. In order to ensure high results for the renovation of cadre-related work, Uncle Ho pointed out: "We should treat the people properly. This is an important issue. Therefore, attention should be paid to the following points:

Understanding cadres.

Using cadres skillfully.

Giving promotions to cadres.

Subjecting cadres to criticisms. [Footnote 3] [Ibid, pp 26, 52)

In compliance with Uncle Ho's concepts, we should try unfailingly to establish a mechanism to evaluate, recruit, providing training for, and use cadres, especially leading cadres in the political system.

Thoroughly aware of the Uncle Ho's concepts, the resolution of the party Central Committee's third plenum noted: "The deficiencies of cadre-related work continue to drag on," including deficiencies in carrying out cadre planning. The first reason for these deficiencies is that our concepts about cadre evaluation do not suit the requirements of the renovation undertaking, especially of the market economy. Not only are there differences methodologically, but also ideologically when it comes to evaluating cadres. Therefore, as advised by Uncle Ho, we should "understand cadres" and should start with renovating our concepts about cadre evaluation when we begin to renovate cadre-related work. Experience shows that correct cadre evaluation will help relevant party committee echelons "understand their cadres" in a comprehensive fashion. This will serve as a basis for attaining high results in the training and use of cadres.

Uncle Ho advised us: "In evaluating a cadre, we should look at him generally, trying to avoid narrow-minded prejudices such as seeing only individual trees without

realizing that they form a jungle; and seeing only shortcomings without being aware of strong points." [Footnote 4] [Ibid, p 27]

Uncle Ho always used criteria, quality, and work efficiency as a yardstick for cadre evaluation and work assignments. In the very first month of the anti-French resistance, he promptly summed up and set the basic cadre evaluation criteria for that stage. He advised us that to "understand cadres," we must use not only criteria and work efficiency but must take into consideration the ways in which cadres interact with other agencies and perform their special duties as well.

Uncle Ho also stressed the need to "use cadres skillfully." To this end, we must use cadre evaluation criteria to put the right person in the right place. This move must be closely linked with efforts to implement democracy and openness. Uncle Ho said: "We often do not know how to make use of people's talents. For example, we ask a blacksmith to make furniture and a carpenter to forge knives. As a result, both of them do not know what to do." [Footnote 5] [Ibid, p 52]

"Using cadres skillfully" also calls for proper moves to combine different generations of cadres. Uncle Ho often reminded all echelons of the need to use cadre selection criteria to rejuvenate the contingent of cadres while at the same time adopting positive measures to help old cadres improve their capabilities and experiences to ensure continuity and succession for the contingent of cadres. Regarding retired cadres, it is necessary to create conditions for those comrades to continue making contributions to the revolutionary cause according to their capabilities and health conditions. Uncle Ho also attached importance to the use of ethnic minority cadres and women cadres. He paid special attention to the correct combination between veteran and old cadres with new and young cadres. He said: "Our party should know how to combine old cadres with young ones. We should not belittle young cadres... As for young cadres, they should not maintain a haughty attitude but should try to humbly learn from those experienced comrades..." [Footnote 6] [Ibid, pp 27, 54]

According to Uncle Ho, "using cadres skillfully" requires efforts to bring into full play everyone's wisdom and avoid distinguishing between party members and nonparty members. It is necessary to adopt incentive policies toward talented people working in different fields of activities and economic sectors or belonging to different social classes, including those patriotic overseas Vietnamese nationals.

Uncle Ho attached great importance to the intelligentsia, including those who are nonparty members. He pointed out: "The strong development of the liberation movement has rallied many talented people who are nonparty members. Therefore, we must know how to put them to work for the national salvation cause."

We must act in line with Uncle Ho's instructions as follows: "Anyone who is capable and can meet cadre

selection criteria and the needs of the revolution should be employed. Suppose we have to choose between two applicants who are the relatives of a party member and a nonparty member. The second candidate is better than the first in terms of intelligence and behavior. Which of these two candidates should we select? (Everybody in the conference hall unanimously responded: The relative of the nonparty member.)

Uncle Ho said to them: "You are right! Because our party belongs to the working-class people and the nation as a whole, it must remain impartial. Our party does not serve the personal interests of any individual comrades. It looks after the well-being of the entire nation. This is the essence of our cadre-related policy." [Footnote 7] [Ho Chi Minh *Selected Works*, Su That Publishing House, 1980, p 259]

"Cadre selection, promotion, and utilization must be closely linked with review, adjustment, retraining, and screening activities and must be in keeping with the 'promotion versus demotion and admission versus expulsion' motto."

As far as the renovation of cadre-related work according to Uncle Ho's concept is concerned, efforts must be made to adopt uniform measures, and most importantly, to avoid letting personal interests affect the application of cadre selection criteria. Particularly, Uncle Ho analyzed the great impact of the feudalism-typed hierarchy, regionalism, and prejudices based on people's past which still remains quite heavy on the search for talented people. He said: "As far as the use of cadres is concerned, many people commit the following mistakes:

1. They prefer relatives, acquaintances, or friends to outsiders because they believe that it is safer to do so.
2. They like individuals who know how to flatter them but dislike righteous people.
3. They prefer people who can get along with them well.

Consequently, they condone and protect those who commit mistakes and henceforth, cause the latter to become more spoiled. Meanwhile, they always find fault with righteous people and seek ways to retaliate them. Needless to say, such a policy will eventually foil the party-initiated undertaking." [Footnote 8] [Ibid, pp 498-499]

The question here is who chooses whom? Uncle Ho stressed that officials in charge of the cadre-related work must first of all display integrity, good motivations, and self-knowledge. He pointed out: "To understand cadres, we must have self-knowledge. Otherwise, it would be difficult for us to understand other people. Therefore, to correctly tell people's good deeds from their wrongdoings, we must be able to tell our good deeds from our wrongdoings first. Otherwise, we will surely be unable to know if our cadres are good or bad." [Footnote 9] [Ibid, p 95]

Uncle Ho reminded leading cadres at all levels, especially those in charge of the cadre-related work, of the need to resolutely fight against factionalism. He pointed out the adverse impact of this evil by using an example as follows: "They do not care if a person talks nonsense or has no skills. They will listen to and employ him if he knows how to be nice to them. On the contrary, if a person has skills but does not know how to be nice to them, they will ignore him." [Footnote 10] [Ibid, p 26]

A full understanding of Uncle Ho's above-mentioned concept will help us realize even more clearly that in the years ahead, the cadre-related work will play a particularly important role in deciding the fate of our party and regime. This situation requires all echelons and sectors to pick up the most pressing problems and concentrate efforts on resolving them so as to "effect an important breakthrough in the cadre-related work," first of all, when it involves cadres in charge at the central level, in provinces, and cities, and at a number of key economic and cultural establishments. This move will respond to our pressing requirements and also help us make preparations for the mid-term party conference and the Eighth party Congress. As far as the ongoing overall cadre-related work is concerned, first priority must be given to cadre assessment and reevaluation to consolidate leadership and management mechanisms at all levels and meet both immediate and future requirements. The fulfillment of these objectives will enable us to make an effective use of those cadres at our disposal and will also provide us with additional highly qualified cadres to take charge of new tasks. At the same time, measures must be taken to remove from leadership and management agencies those opportunistic cadres who act at variance with party policies and lines; who display a low sense of morality, organization, and discipline; or who cause internal disunity and become the object of the masses' indignation. Regarding those cadres who are no longer knowledgeable and competent enough to assume new tasks, prompt measures must be taken to transfer them to appropriate positions. As for those units where sluggishness drags on and on, those cadres in charge must be replaced at once.

The comrade leaders in charge in the various sectors and at the various party committee echelons must go out of their way to guide everyone and must be accountable to the collectives and upper echelons for the implementation of the cadre-related work falling under their functions and responsibilities.

Leaders Attend Rally for Ethnic Children

BK0507063993 Hanoi VNA in English 0600 GMT 5 Jul 93

[Text] Hanoi VNA July 5—Nearly 300 representatives of children of 41 ethnic groups throughout the country gathered at the presidential palace here yesterday to review their activities over the past year.

President Le Duc Anh, Vice-President Nguyen Thi Binh, National Assembly Speaker Nong Duc Manh and Vice Prime [title as received] Nguyen Khanh were among those

present keynote of the rally was a report on the nationwide movement among the children to carry out President Ho Chi Minh's "five teachings". The report laid emphasis on the widespread activities of school children to help their friends in life and studies, especially those of needy families or with physical disabilities.

Most common are the collection of money to present those unfortunate children with savings funds. According to incomplete statistics, more than 3,000 such funds totalling hundreds of millions of dong were presented last year. Many examples of studiousness and honesty were also reported at the gathering.

Australia

Government Remains Cautious on APEC Meeting

*BK0807063893 Melbourne Radio Australia in English
0500 GMT 8 Jul 93*

[Text] The Tokyo trade deal and President Clinton's call for a meeting of leaders of the 15-member Asia Pacific Economic Forum, APEC, is potentially advantageous to Australian producers. However, Graeham World reports that while Australia welcomes the moves, it remains distinctly cautious.

[Begin World recording] Australia's trade negotiators in Geneva will use the Tokyo deal to try to lock in an agreement on agriculture. A successful outcome could, by the end of the decade, be worth billions of dollars annually for domestic producers. But there is still much to be done and French reaction will be important. Turning to APEC, the leader's meeting was Paul Keating's idea to give the forum more horsepower on trade and economic issues. But uncertainty over Malaysia's response and China's objections to Taiwan have already seen the government's acknowledging possible setback. [end recording]

Canberra, Kuala Lumpur Negotiate Boat Deal

*2K0707070693 Melbourne Radio Australia in English
0500 GMT 7 Jul 93*

[Text] Australia says its negotiating a lucrative deal to help produce 30 armed patrol vessels for the Malaysian navy. Mark Tamhane reports if the deal goes ahead it would be Australia's largest ever defense cooperation agreement with an Asian country.

[Begin Tamhane recording] A spokeswoman for Defense Minister Robert Ray says discussions are continuing on an agreement which could see the two countries jointly produce the 80-meter long patrol craft. It is proposed the Malaysian navy would get 30 vessels while Australia would get 12 to replace its aging Fremantle class patrol boats. Senator Ray discussed the proposal recently in Kuala Lumpur with his Malaysian counterpart Datuk Najib. The move is part of Australia's push to export defense equipment and technology to Asia which includes current talks on Australia producing high-powered submarines for the defense forces of several regional navies. The Australian company tendering for the deal, Transfield-Amecon, approached the Australian government for help after identifying the Malaysian opportunity. Newspaper reports say the deal could be worth Australian \$3 billion. [End recording]

Canberra Supports Chemical Weapons Control

*BK0807141393 Sydney THE AUSTRALIAN in English
25 Jun 93 p 18*

[Editorial: "Outlawing chemical weaponry"]

[Text] Surprisingly little publicity has greeted an Australian diplomatic coup: the achievement of international support for the imposition of export controls on the

components of chemical and biological weapons and the equipment needed to activate them. Initiated in Canberra and known as the Australia Group, it coordinates the support of 24 countries crucial to the ultimate control of such weaponry, representing 80 percent of the world's chemical suppliers. These export controls are far-reaching. They make it more difficult, if not impossible, for countries eager to produce such weaponry to achieve their purpose.

Australia's role has been widely appreciated. For a nation often characterized as minor, our voice has been heard on a most serious question, brought into high relief by the eight-year Iran-Iraq War, in which chemical weapons were used to devastating effect. Australia was deeply involved in the aftermath of that conflict, when we provided army personnel as United Nations truce observers. Their verification of Iraq's use of chemical weapons against Iran was the catalyst for Australia's concern.

Under both the foreign affairs ministry of Mr. Bill Hayden and his successor, Senator Gareth Evans, a consistent policy has been pursued. Appreciating the need to avoid the proliferation of chemical weapons in our own region, they understood its global implications. Cooperation with industry and its trade in sensitive items were vital elements in achieving controls.

Our support for chemical weapons control has gone further than obtaining verbal agreement, although there is no written or binding treaty among the members of the Australia Group. It has been self-regulatory but strongly symbolic. We have been joined by like-minded countries, which include the Nordic group, the European Community, Canada, Hungary, Argentina, and Japan. We have both chaired and funded the secretariat of the Australia Group, established in 1985, and have the concurrence of major chemical suppliers, including the United States, Germany, and Japan.

If the main focus of concern at present is the Middle East and the Indian subcontinent, there is little doubt the temptation to use chemical weaponry will always be an option in the minds of desperate States or groups indifferent to human suffering and contemptuous of human life. The use of mustard gas in World War I and in Abyssinia, now Ethiopia, in 1936 destroyed lives far beyond the heat of the battleground. Veterans suffered lifetime injury.

It is hoped the convention on chemical weapons will be consolidated in 1995, setting an agenda for control that will bring errant nations into the fold of international cooperation. The intransigence of some nations, notably in the Middle East, is largely due to mutual fear. But the pressure of world opinion, codified by an impressive treaty, should go some way towards making the world safer.

Canberra Needs To 'Rethink' Defense Policy

*BK0807142593 Sydney THE AUSTRALIAN in English
23 Jun 93 p 10*

[Editorial entitled: "A rethink of defense is needed"]

[Text] The adequacy of Australian defense policy is under challenge. A dynamic, post-cold war reshaping of the world order has placed extra demands on our defense forces and they are struggling to meet them. The federal government recognizes the dilemma but has been too slow to respond to it. In moving to develop more internationalist, outward-looking policies on trade and foreign affairs, the government has let defense trail behind. However, defense has just as necessary a role to play and should be brought into line with the new global and regional realities.

A white paper to guide defense policy into the 21st century is in preparation. In the meantime the government is treading water. A policy paper on our growing involvement in international peacekeeping, issued on Monday, contends the existing defense force can cope with our commitments abroad while maintaining credible defenses at home. It claims both can be achieved without changing the structure of the Australian Defense Force [ADF] or increasing the defense budget.

The defense of continental Australia as the cornerstone of defense policy is reaffirmed by the document. So is the doctrine of greater defense self-reliance. It regards United Nations peacekeeping duties as "supplementary" to the ADF's activities. It is not conceded that those duties are placing extra burdens on operational units or that they will do so in future, provided future peacekeeping contributions are managed on a case-by-case basis. The document meets the government's desire to maintain zero growth in real terms of the defense budget, but its tone is complacent and its assertions are unrealistic.

The rapid economic development of nations in the Asia-Pacific region has fostered a regional arms race, with nations rushing to modernize their military as they earn the money to pay for it. The arms buildup is not substantial in terms of combat capability. But it is inevitable—as the minister for defense, Senator Ray, has acknowledged—that Australia's technological superiority in defense will gradually be eroded as other nations increase their defense spending while we restrain ours. The region's economic growth carries with it the potential for substantial regional rivalries to develop, largely unrestrained by the kind of disciplines formerly imposed by the superpowers. This calls for a rethinking of our defense strategy, because it challenges the concept of basing our defense primarily on the defense of continental Australia.

It is true the government has responded, in part, by giving more priority to developing regional defense cooperation arrangements. Indeed, an added defense component in recent years has strengthened our overall relations with neighboring nations and this is to be welcomed. However, these extra commitments, like peacekeeping, are bound to place more strain on our

operational units. The productivity demands on our existing defense resources are becoming excessive.

The benign defense environment that made it possible to dispatch one-third of our combat-ready infantry to far-away Somalia for 17 weeks also makes it politically difficult to increase defense spending, especially given the capital spending committed to hardware such as frigates and submarines. The government might consider expanding operational capacity by reducing costs elsewhere in the ADF. The easy answer—to ignore the UN's call to (peacekeeping) arms—should be rejected. It is also time for a strategic rethink of the defense force structure that puts more emphasis on our ability to project military power abroad, not just defend our own land mass.

Western Samoa

Va'ai Kolone Elected to Council of Deputies

BK0807055893 Hong Kong AFP in English 0511 GMT
8 Jul 93

[Text] APIA, July 7 (AFP)—Parliament here Wednesday elected deputy opposition leader Va'ai Kolone to serve on the Council of Deputies, removing him from the Legislative Assembly.

Va'ai has been an MP [member of parliament] since independence in 1968 and briefly served as prime minister before an electoral court hearing found him guilty of corrupt practices.

The council collectively takes over from the Head of State and custom held its occupants could only be the holders of the four tama-a-aiga or princely titles. One such holder is the leader the opposition, Tupua Tamasese Efi, who has resisted government efforts to move him into the council as it has no political power and its members cannot be MPs.

Va'ai is not a tama-a-aiga and the election to the council comes as Prime Minister Tofilau Eti Alesana struggles to hold onto power as the opposition Samoa National Development Party appears to be luring more of his ruling Human Rights Protection Party members into their camp.

Tofilau played a key part in nominating Va'ai to the post and said he felt "warm and confident" about the appointment.

Va'ai said he accepted the "respect and honour" given, but in a voice that shook he said he would only accept the appointment if it did not cause trouble. He said he had no wish to wound the country.

A tama-a-aiga, Tuimalealiifano Vaaletoa, who is a senior inspector of police, was also elected to the council.